

1103559 - R8 SDMS

Asarco File
Confidential
(Keep together)

Linda
Jacobson/R8/USEPA/US
04/14/2009 04:46 PM

To Greg.Brusseau@brattle.com
cc Charles Figur/R8/USEPA/US@EPA
bcc
Subject Fw: 2009 ASARCO LLC Environmental Trust Report and Budget Proposal

more recent cost figures for long-term monitoring

----- Forwarded by Linda Jacobson/R8/USEPA/US on 04/14/2009 04:45 PM -----



Charles Figur/R8/USEPA/US
12/19/2008 11:46 AM

To Andrea Madigan/ENF/R8/USEPA/US@EPA
cc Linda Jacobson/R8/USEPA/US@EPA, Sharon Kercher/ENF/R8/USEPA/US@EPA, Julie DalSoglio/MO/R8/USEPA/US@EPA, Charles Figur/R8/USEPA/US@EPA
Subject Fw: 2009 ASARCO LLC Environmental Trust Report and Budget Proposal

Andrea -

The RCRA consent decree team supports ASARCO's proposal for funding from the trust, on the condition that the 3 modifications to their proposal suggested by Linda are made.

For 2.a below, if you need to forward information to HQ and DOJ prior to the week of 1/5, I suggest we require deletion of the hw cleanup/demolition line, and let them get back to us with an explanation.. Otherwise, I suggest that during the week of 1/5 Linda contact Jon to see what is included in that line.

(Reminder: I am unable to copy ASARCO's proposal in a workable format, so I am sending these suggested edits as an alternative approach to a response to their proposal.)

Thanks.

Chuck

----- Forwarded by Charles Figur/R8/USEPA/US on 12/19/2008 11:36 AM -----

Linda
Jacobson/ENF/R8/USEPA/US
11/04/2008 10:34 AM

To Charles Figur/R8/USEPA/US@EPA
cc Sharon Kercher/ENF/R8/USEPA/US@EPA
Subject Re: Fw: 2009 ASARCO LLC Environmental Trust Report and Budget Proposal

I would suggest the following changes:

1) Page 40, Pump and Treatment of Surface Water and Water from the Dross/Speiss Acid Plant, remove the phrase "Although an active pump and treat remedy for groundwater is not proposed for the site". Pump and treat is an option which must still be retained for the CMS.

2) Estimated Cost Table

a) The figure for h.w. cleanup and demolition is questioned, since there are no other EPA-lead demolition activities planned and the state measures are not to be funded from this trust fund. I would ask for an explanation of these costs or disallow them.

b) The figure for the RFI and Risk Assessment should be increased to \$500,000 to include pilot-scale studies for remedy selection and additional characterization of soils, sediment, and biota.

Linda Jacobson

Charles Figur/R8/USEPA/US



Charles Figur/R8/USEPA/US

11/03/2008 07:30 AM

To Linda Jacobson/ENF/R8/USEPA/US@EPA

cc Sharon Kercher/ENF/R8/USEPA/US@EPA, Julie DalSoglio/MO/R8/USEPA/US@EPA, Randy Breeden/R8/USEPA/US@EPA, Steven Acree/ADA/USEPA/US@EPA, Andrea Madigan/ENF/R8/USEPA/US@EPA

Subject Fw: 2009 ASARCO LLC Environmental Trust Report and Budget Proposal

Linda -

I suggest opening the summary first, and then taking a look at the 2008 description and 2009 proposal.

I've noted a few things on first glance, but nothing that causes immediate problems.

ASARCO is specifically not proposing to be reimbursed for work under the State CD.

As expected, there are fewer sites competing this year, so final decisions by HQ and DOJ may be easier. On the other hand, it is likely that potential impacts to the bankruptcy process may have to be taken into account (this is a bit different from past years), so the decisions may not be so simple after all.

I believe the internal R8 process for generating a proposed response to this draft will be the same. I will make sure Andrea knows we're available to discuss our perspective with the decision-makers as necessary.

Considering Thanksgiving week, let's try to have the EH Smelter team's perspective done by November 20, so that we can be available to chat with the R8 decision-makers during the week of 12/1.

Thanks.

Chuck

----- Forwarded by Charles Figur/R8/USEPA/US on 11/03/2008 07:17 AM -----



"Dain, David (ENRD)"
<DDain@ENRD.USDOJ.GOV>
V>

11/03/2008 06:39 AM

To Shahid Mahmud/DC/USEPA/US@EPA, Cara Steiner-Riley/R10/USEPA/US@EPA, Robert Roberts/DC/USEPA/US@EPA, Melissa Gibbons/DC/USEPA/US@EPA, Amy Salinas/R6/USEPA/US@EPA, <Kathleen_Moynan@fws.gov>, <amy.horner@sol.doi.gov>,



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Madigan/ENF/R8/USEPA/US@EPA, Charles
Figur/R8/USEPA/US@EPA, "Fremmerman, Gary"
<GARY.FREMERMANN@OGC.USDA.GOV>
cc "Albert, Eric (ENRD)" <EAlbert@ENRD.USDOJ.GOV>,
"Gillespie, Amy (ENRD)" <AGillesp@ENRD.USDOJ.GOV>,
"Tenenbaum, Alan (ENRD)"
<ATenenba@ENRD.USDOJ.GOV>
Subject FW: 2009 ASARCO LLC Environmental Trust Report and
Budget Proposal

In the midst of all that is going on, we now have the issue of funding of the 2009 Annual Budget. Here is Asarco's submission. I have not looked at this and am not to our decisions. I think two things should guide us:

1) Regions and agencies simply need to go ahead and decide what their priorities are for 2009 funding amounts. In making these rankings you should consider point # 2 below.

2) How to best use the Budget in 2009 will likely include issues associated with the potential settlements and plans. Examples include: a) funding from budget may mean that we have to reduce a settled claim amount and it is likely we cannot increase the amount of another claim; b) we do not know if the plan will be a stand-alone stock plan or a payment plan with Sterlite purchasing the assets, or whether it will be nearly a Full Payment Plan or something significantly less; c) we do not know when a payment under the plan will happen.

We hope that by the end of the month we will have a much clearer picture of the likely plan of reorganization.

Our response to this proposal is due @ December 15, although an extension of that date may be achievable.

I suggest we maintain our normal approach and ask that Regions and Agencies submit their rankings by December 5.

From: Arthur, Ervinette [mailto:EARthur@asarco.com]

Sent: Thursday, October 30, 2008 5:17 PM

To: Dain, David (ENRD)

Subject: FW: 2009 ASARCO LLC Environmental Trust Report and Budget Proposal

Importance: High

Sensitivity: Confidential

Mr. Dain – we are resending the 2009 ASARCO LLC Environmental Trust Report and Budget Proposal to you. In error it was forwarded to the wrong email address.

Please reply that you have received the documents.

Thanks you,

Ervinette Arthur

Secretary

(303) 296-5101

-----Original Message-----

From: Arthur, Ervinette

Sent: Thursday, October 30, 2008 12:40 PM

To: 'david.dain@usdoj.epa'; 'polin.robert@epa.gov'; 'mahmud.shahid@epamail.epa.gov'

Cc: 'Tony.Davis@bakerbotts.com'; Aldrich, Tom; Litle, Bob

Subject: 2009 ASARCO LLC Environmental Trust Report and Budget Proposal

Importance: High

Sensitivity: Confidential

Mssr. Dain, Polin and Mahmud;

Attached please find three documents relating to the ASARCO LLC 2009 Environmental Trust Report.

- 1) ASARCO Cover-Letter
- 2) Proposed Environmental Trust Fund Budget Summary of Costs
- 3) 2009 ASARCO LLC Environmental Trust Report and Budget Proposal

Should you have any questions please contact Tom Aldrich at (520) 798-7749 or Bob Litle at (303) 947-9081.

Thanks you,

Ervinette Arthur

Secretary

(303) 296-5101

<<2009 DOJ Trust Cover Letter.pdf>> <<2009 Trust Fund Proposal Summary 103108.pdf>> <<2009 ASARCO LLC Environmental Trust Report and Bud.pdf>>

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* 2009 DOJ Trust Cover Letter.pdf 2009 Trust Fund Proposal Summary_103108.pdf



2009 ASARCO LLC Environmental Trust Report and Bud.pdf



Thomas L. Aldrich
Vice President
Environmental Affairs

Direct Dial: (520) 798-7749
taldrich@asarco.com

October 31, 2008

SENT VIA E-MAIL

Mr. David L. Dain, Esq.
US Department of Justice
Environmental Enforcement Section
601 D Street, N.W.
c/o ENRD Mailroom, Room 2121
Washington, D.C. 20004

Mr. Robert Polin
US Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Ave. NW
MC 2272A
Washington, D.C. 20260

Re: 2009 ASARCO LLC Environmental Trust Report and Budget Proposal

Dear Mr. Dain and Mr. Polin:

Enclosed is the above referenced document. It has been prepared to satisfy the requirements of Paragraph 19 of the Consent Decree (CV 02-2079-PHX-RCB). This submittal includes work descriptions for work performed in 2008 and proposed for 2009. This package is being submitted electronically to Mr. Dain, Mr. Polin and Mr. Shahid Mahmud. A hard copy will be sent to Mr. Dain as soon as practical under separate cover.

If you have questions regarding this submission, please call me at (520) 798-7749.

Sincerely,

A handwritten signature in dark ink, appearing to read "Tom Aldrich", written over a horizontal line.

Thomas L. Aldrich
Vice President, Environmental Affairs

Enclosures

C: Mr. Shahid Mahmud
US EPA
1200 Pennsylvania Avenue (5204G)
Washington, DC 20004

EPA Regions 8 & 10 (4 copies each)

Ms. Andrea Madigan
US EPA Region 8
Mail Code: 8ENF-L
1595 Wynkoop Street
Denver, CO 80202-1129
(303) 312-6904

Ms. Cara Steiner-Riley
US EPA Region 10
1200 Sixth Avenue
Seattle, WA 98101
(206) 553-1142

EPA Regions 5, 6, 7 & 9 (2 copies)

Mr. Larry Johnson
US EPA Region 5
Mail Code: C14J
77 West Jackson Blvd.
Chicago, IL 60604-3507
(312) 886-6609

Mr. Steven Sanders
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(913) 551-7578

Ms. Amy Salinas
US EPA Region 6
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1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733
(214) 665-8063

Mr. Joshua Wirtschafter
US EPA Region 9
Mail Code: ORC-3
75 Hawthorne Street
San Francisco, CA 94105
(415) 972-3912

2009 ASARCO LLC ENVIRONMENTAL TRUST REPORT AND BUDGET PROPOSAL

Prepared for:

US DEPARTMENT OF JUSTICE
AND
US ENVIRONMENTAL PROTECTION AGENCY

Prepared by:

ASARCO LLC
5285 East Williams Circle
Suite 2000
Tucson, AZ 857114

October 31, 2008

2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL

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2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL INTRODUCTION

INTRODUCTION

This report has been prepared to satisfy the requirements of Paragraph 19 of the Consent Decree between the United States of America and ASARCO LLC (ASARCO) and Southern Peru Holdings Corporation (No. CV 02-2079-PHX-RCB). The report describes all active Asarco projects in order to determine what work is subject to payment and/or reimbursement through the Environmental Trust. This report includes a description of the ongoing 2008 work at sites as well as the work proposed for 2009.

The information contained below is intended to reflect cost estimates for each site. These cost estimates are updated frequently and are based upon work done by ASARCO employees and, more recently, analysis provided by Environmental Resources Management ("ERM"). ERM is an international environmental consulting company. Baker Botts retained ERM to perform an evaluation of potential liabilities and environmentally driven asset retirement obligations at ASARCO's owned, non-operating sites.

ASARCO LLC is in chapter 11 bankruptcy. In the context of the bankruptcy, ASARCO has executed settlements which have been approved by the bankruptcy court or are currently pending approval or are the subject of ongoing negotiations. ASARCO believes that those settlements should be adjusted to the extent that any payments are made by the Environmental Trust for work contemplated by such approved or proposed settlements.

2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL COY

Site Name	Coy
Location	Jefferson City, Tennessee
Performing Entity	Asarco
Contact Person/ Phone & email	Bob Miller (Asarco) (253) 752-1470 romiller@asarco.com Scott Gordon (EPA) (404) 562-9590
Decree or Order	Encycle Consent Decree, Civil Action H-99-1136, October 7, 1999
Settlement Agreement	Class 8 - Miscellaneous Federal and State Environmental Sites - Paragraph 7(a)(viii)
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

The 1999 Federal Consent Decree (i.e., Encycle Consent Decree, Civil Action H-99-1136, entered October 7, 1999) requires Asarco to perform a Supplemental Environmental Project (SEP) at the Coy Mine. The SEP is designed to restore diverse native riparian and wetland vegetation communities in a four-acre floodplain portion of the Coy Mine along Mossy Creek.

Sale of Tennessee Mines

On May 19, 2006, the Tennessee Mines Division of ASARCO LLC (including the Coy Mine) was sold to Glencore Metals in an auction process approved by the bankruptcy court.

Work Completed in 2008 (19A)

No work or expenditures were budgeted from the trust fund or performed at this site by Asarco in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
COY**

estimation, which is an expedited claims liquidation procedure. Claims related to this site were mediated prior to estimation and tentatively settled. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
CIRCLE SMELTER (BECKEMEYER)**

Site Name	Circle Smelting (Beckemeyer)
Location	Beckemeyer, Illinois
Performing Entity	Asarco
Contact Person/ Phone & email	Stavros A. Emmanouil (EPA) (312) 886-1768 emmanouil.stavros@epa.gov Bob Miller (Asarco) (253) 820-9819 romiller@asarco.com
Decree or Order	Administrative Order on Consent #V-W-04-C-800 (as modified on November 5, 2004).
2008 Budget	Trust: \$ 1,500,000

Work Summary

Description of Work

These funds were made available to cover the cost of the work identified in the above referenced Action Memorandum. This work will be a continuation of the removal action at the Circle Smelting site, which is located in Beckemeyer, Illinois. Soils contaminated with lead are being removed from contaminated areas of the former smelter site. These funds are being used to continue removing soil from properties and taking them to a containment area on the former smelter property. The removal action began under an Administrative Order on Consent in 1997 but because Asarco was unable to fund the work in 2002, the site was converted to EPA lead. In 2004 ASARCO petitioned to be restored as the performing party. This request was honored in late 2004 and Asarco's contractor worked up until the time of a bankruptcy filing on August 9, 2005. In 2006, 2007 and 2008 the Trust Fund granted money for work on this project with ASARCO's contractor performing the work.

Work Completed in 2008 (19A)

Work to be performed in 2008 is related to the redesign and expansion of the repository. This includes purchasing property to accommodate repository expansion (completed in 2008), and concrete curbing and apron construction on the smelter site. The 2008 scope of work anticipated completion of all physical remedial activities at the Beckemeyer site. However, because of the late start of this project in 2008, it is possible that the remedial activities will not be completed in 2008 and that funding may need to be carried over into 2009.

Cost of 2008 Work to Trust (as of 10/30/08) (19A)

Trust: \$101,923

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
CIRCLE SMELTER (BECKEMEYER)**

Site Name	Circle Smelting (Beckemeyer)
Location	Beckemeyer, Illinois
Performing Entity	Asarco or United States
Contact Person/ Phone & email	Stavros A. Emmanouil (EPA) (312) 886-1768 emmanouil.stavros@epa.gov Bob Miller (Asarco) (253) 820-9817 romiller@asarco.com
Decree or Order	Administrative Order on Consent #V-W-04-C-800 (as modified on November 5, 2004).
Settlement Agreement	Class 8 - Miscellaneous Federal and State Environmental Sites - Paragraph 7(a)(ii)
2009 Proposal	Trust: \$ 250,000

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 (19c)

The 2009 scope of work will consist of preparation of final reports and site closure documents. As noted above, if the remedial activities scheduled for 2008 are not completed in 2008, then it may be necessary to carry over a portion of the 2008 work and it's funding from the environmental trust into 2009 to complete the 2008 scope of work.

Estimated Cost of Work in 2009

Year	Task	Cost (\$)
2009	Project Completion	\$250,000

Work Proposed for Trust Fund Support (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Asarco is proposing that trust fund money be made available for 2009 work at Beckemeyer.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
CIRCLE SMELTER (BECKEMEYER)**

Estimated Trust Fund Contribution for 2009

Trust Fund
\$ 250,000

Justification for Priority Funding (19c)

- **Human Health Risk** (Population size, proximity to contaminants, likelihood of exposure): In 1997 Asarco signed an AOC (VW-7-C-419) with Region 5 EPA in which the Company agreed to do this work. Much of the work has been completed and there is keen interest in finishing the project. Despite the interest in finishing this work, no demonstrated impact of lead in residential soils on community blood lead levels has ever been shown. The Beckemeyer soil remediation program is intended to directly address potential human health risks from elevated lead concentrations in soils in residential yards, community alley ways, walkways, roadside aprons and public areas, and surface water drainage sediments.
- **Site Stability** (Mobility of Contaminants, Site Structure and effectiveness of Institutional or Physical Controls): The mobility of lead in soil has been addressed by previous actions on the Beckemeyer Smelter site and include building demolition, material waste and soil consolidation and capping, and implementation of surface water controls. Ongoing soil stability measures include residential yard and garden soil remediation, remediation of surface water sediment in channel areas, maintenance of a soil repository on the former smelter site and ongoing monitoring.
- **Contaminant Characteristics** (Concentration, Toxicity and Volume): Lead concentrations in surface soils were historically impacted from the man-made import of material from the plant site to residential yards and public roads and walkways. Off-site drainages were also impacted by migration of lead and zinc in surface water runoff from the plant site. Lead health affects are a particular concern for young children, and the soil remediation program is directed primarily at this target group. In general, locations with elevated lead in the village of Beckemeyer are spotty and have been primarily affected by import of material from the smelter site.
- **Environmental Factors and Risk** (Endangered Species or Critical Habitats or Sensitive Environmental Areas): No endangered species or critical habitats were identified, although sediment removal in off-site drainages will result in considerable disturbance of woodland corridors that act as border erosion control corridors and habitats not available in adjacent agricultural fields and urban areas.
- **Project Management Considerations:**
 - Innovative Technologies: The residential soil remediation generally employs well-established and traditional technologies (generally soil removal and replacement).
 - Cost Delays: Delay of Trust fund approval would delay the implementation of the ongoing Beckemeyer soil remediation program.
 - High Profile Project - Community Support and Additional Funding Contingent on Approval of the Budget: Remediation of soil in residential yards and gardens is

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
CIRCLE SMELTER (BECKEMEYER)**

generally supported by the community because of perceived improvements for property values but does not have universal support in the Beckemeyer area. Lead in soils and the potential effects on children have been a nation-wide concern by EPA and other agencies. With the exception of 2003, all funding has been provided by Asarco. The Trust funds are necessary to continue the actions required by the Consent Decree.

Brownfields/Site Reuse or Revitalization: Redevelopment of the former smelter site for use by a local trucking company has been a key element in remediation of the plant site itself and providing a location for a soil and material repository. The former zinc smelter site is presently used by a local transportation/construction company as a trucking staging and maintenance facility.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
FEDERATED METALS CORPORATION (WHITING)**

Site Name	Federated Metals Corporation (Whiting)
Location	Hammond, Indiana
Performing Entity	ASARCO MASTER INC.
Contact Person/ Phone & E-mail	Reginald Pallesen (EPA, ORC) (312) 886-0555 pallesen.reginald@epa.gov Tom Klempel (Asarco) (520) 798-7796 tklempel@asarco.com
Decree or Order	RCRA Corrective Action Consent Decree in <u>United States v. Federated Metals Corporation</u> , Civil No. H90-0327 (N.D. Indiana 1993).
Settlement Agreement	Multi-State Custodial Trust Settlement Agreement - Paragraph 9(e)(xi)
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

The costs eligible for Trust reimbursement consist of the work activities required to implement the RCRA Corrective Action pursuant to the above referenced Consent Decree.

Work Completed in 2008 (19A)

There were no Trust reimbursable activities on the site during 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

ASARCO MASTER filed a chapter 11 bankruptcy petition on October 13, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against ASARCO MASTER and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. ASARCO MASTER is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
STEPHENSON - BENNETT SITE**

Site Name	Stephenson - Bennett Site
Location	Dona Ana County, New Mexico
Performing Entity	EPA
Contact Person/ phone/email	Tom Klempel (Asarco) (520) 798-7796 Mr. James Costello (U.S. EPA Region 6) (214) 665-8045
Decree or Order	None
Settlement Agreement	Class 8 - Miscellaneous Federal and State Environmental Sites - Paragraph 7(a)(v)
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

The original scope of work for the site involved soil remediation on residential properties and consolidation and capping of mine waste and tailings. This work has been completed by the US EPA. Asarco denies responsibility.

Work Completed in 2008 (19A)

No work or expenditures were performed at this site by Asarco in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Negotiations resulted in a settlement of claims filed by the State of New Mexico. A separate PRP claim will proceed to estimation. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
TEX TIN SITE**

Site Name	Tex Tin Site
Location	Texas City, Texas
Performing Entity	PRP Group
Contact Person/ phone/email	Tom Klempel (Asarco) (520) 798-7796 Mr. Arnold Rosenthal (U.S. Dept. of Justice) (202) 514-3446
Decree or Order	Tex Tin Corp v. United States of America
Settlement Agreement	
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

This Superfund Site is a former Tin Smelter to which ASARCO sent a product (Molybdenum Sulfide). In an August 29, 2003 Joint Status Report to the court the United States announced that in recognition of Asarco's settlement in the U.S. v Asarco and Southern Peru Holdings matter and the condition of Asarco's current resources that it was unlikely that EPA would continue to pursue Asarco in connection with this site.

Work Completed in 2008 (19A)

No work or expenditures were performed at this site by Asarco in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

There are no claims or governmental orders at this site and thus future ASARCO funded work is not anticipated.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
EL PASO PAVING**

Site Name	El Paso Paving
Location	El Paso, Texas
Performing Entity	Asarco
Contact Person/ Phone & email	Brad Wilkinson (TCEQ) (512) 239-2350 bwilkins@tceq.state.tx.us Tom Klempel (Asarco) (520) 798-7796 tklempel@asarco.com
Decree or Order	Encycle Consent Decree, Civil Action H-99-1136, October 7, 1999
Settlement Agreement	Docket # 6020 & 7342
2008 Budget 2009 Proposal	Trust: \$0 Trust: \$0

Work Summary

Description of Work

The 1999 Federal Consent Decree (i.e., Encycle Consent Decree, Civil Action H-99-1136, Entered October 7, 1999) requires funding a particulate reduction project in which Asarco will pay on an annual basis (not to exceed five years or \$1,850,000) a total of \$370,000 to the City of El Paso and, if required, \$50,000 of the annual funding may be used by UTEP.

Asarco and the government have reached a settlement on this site.

Work Completed in 2008 (19A)

No work or expenditures were performed at this site by Asarco in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
EL PASO METALS SURVEY**

Site Name	El Paso Metals Survey
Location	El Paso, TX
Performing Entity	Asarco
Contact Person/ Phone & email	Charles Fisher (214) 665-2224 fisher.charles@epa.gov Bob Litle (Asarco) (303) 296-5115 blitle@asarco.com
Decree or Order	EPA Unilateral Administrative Order, Docket No. CERCLA 6-8-05
2008 Budget	Trust: \$2,850,000

Work Summary

Description of Work

Pursuant to the above referenced UAO, ASARCO LLC performed work at this site. This project is a continuation of the removal action at the El Paso County Metals Survey site, which is located in El Paso, El Paso County, Texas. Trust funds were available to help defray the costs of the work identified in the Action Memo. Soils contaminated with arsenic and lead were removed from residential properties. The removal action began on November 13, 2002 and EPA determined that up to 1,050 properties could possibly require removal activities. 2008 is expected to be the final year for this soil removal project.

Work Completed in 2008 (19A)

Soil removal, soil disposal and site restoration was completed for eighty-four (84) residential properties. This represents all of the properties that were eligible for remediation in 2008 that have signed access agreements.

Cost of 2008 Work to Asarco (as of 10/08) (19A)

Trust: \$1,400,000

Work has been completed on eighty four properties. A total of \$583,216.00 has been paid from the Trust and additional invoices are in process (totaling approximately \$816,000) that will be submitted to the Trust prior to December 2008.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
EL PASO METALS SURVEY**

Site Name	El Paso Metals Survey
Location	El Paso, TX
Performing Entity	Asarco or United States
Contact Person/ Phone & email	Charles Fisher (214) 665-2224 fisher.charles@epa.gov Bob Litle (Asarco) (303) 296-5115 blitle@asarco.com
Decree or Order	EPA Unilateral Administrative Order, Docket No. CERCLA 6-8-05
Settlement Agreement	Docket # 5973
2009 Proposal	Trust: \$500,000

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

While the EPA notified all property owners that 2008 will be the year for soil remediation, it is still likely that there will be properties that have either refused access or have not given access to date that will need to be remediated in 2009.

Estimated Cost of Work in 2009 and additional years

2009	\$ 500,000
2010	\$ 0

Estimated Trust Fund Contribution for 2009

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were mediated prior to estimation and settled with the understanding that Trust Fund money would be used to finish this work in 2008. This basic understanding would be carried over to address properties to be remediated in 2009

Justification for Priority Funding (19c)

Soils, contaminated with arsenic and lead, are being removed from residential properties.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
PHASE II CONSENT ORDERS**

Site Name	Phase II Consent Orders
Location	ASARCO Facilities
Performing Entity	ASARCO LLC
Contact Person/ Phone & email	Krishna Parameswaran (Asarco) (520) 798-7792 kparameswaran@asarco.com Peter Moore (EPA) (202) 564-6014 mailto:moore.peter@epa.gov
Decree or Order	<u>United States v. Asarco</u> , No. CV 98-3 H-CCL (D. Mont. 1998) United States of America and State of Texas v. Encycle/Texas, Inc. and Asarco, No. H-99-1136 (U.S. District Court Southern District of Texas 1999)
Settlement Agreement	
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

National negotiations between the U.S. Environmental Protection Agency (EPA) and Asarco to resolve environmental compliance issues at Asarco facilities culminated in the following two Consent Decrees:

East Helena Consent Decree

United States v. Asarco, No. CV 98-3-H-CCL (D. Mont. 1998)

Encycle Consent Decree

United States of America and State of Texas v. Encycle/Texas, Inc. and Asarco, No. H-99-1136 (U.S. District Court Southern District of Texas 1999)

Section X titled "Environmental Management and Protection Requirements" of the East Helena Consent Decree required Asarco to develop and implement (1) An Employee Environmental Awareness Training program--Paragraph 154; (2) Protocol for Identifying and Communicating Environmental Requirements and Technology Transfer—Paragraphs 155-161; (3) Environmental Management System Implementation and Environmental Metrics—Paragraphs 162-174. The

2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL PHASE II CONSENT ORDERS

Environmental Awareness Training program, Protocol for Identifying and Communicating Environmental Requirements and Technology Transfer and the Environmental Management System and Environmental Metrics have all been developed and implemented and all associated reporting requirements have been completed.

Section XIV titled "Auditing Provisions" of the Encycle Consent Decree required Asarco to conduct Environmental Management System audits and environmental compliance audits—Paragraphs 62-78. Phase 3 EMS audit provisions required Asarco to contract a qualified, independent, third-party auditor(s) to conduct EMS audits at each of its operating facilities—Paragraph 68. Asarco was also required to have Conformance Reviews conducted by a third-party audit consultant—Paragraph 78. All internal environmental compliance audits and Conformance Reviews (by ICF Consulting L.L.C.) required by the Encycle Consent Decree have been completed.

In addition, all internal EMS and third-party EMS auditing requirements have been completed. The third-party EMS audits were conducted by SGS Internal Certification Services (Canada) Inc. at Amarillo, Mission Complex, Ray Complex-Ray Operations, Globe facility and Ray Complex-Hayden Operations.

Work Completed in 2008 (19A)

No expenditures requiring trust funding occurred for this project in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

All requirements associated with the Phase II Consent Orders have been completed. No work is proposed on this project requiring Trust funding in 2009.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
TAR CREEK (OKLAHOMA)**

Site Name	Tar Creek Site (Oklahoma)
Location	Ottawa County, Oklahoma
Performing Entity	PRP Group
Contact Person/ phone/email	Tom Klempel (Asarco) (520) 798-7796 Mr. James Costello (U.S. EPA Region 6) (214) 665-8045
Decree or Order	2002 Special Notice letter
Settlement Agreement	Docket # 6143, 6367, & 6586
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

Asarco and the other PRP's entered into a settlement agreement for OU-1 (Groundwater/Surface Water) in 1994. Subsequent to that settlement EPA has requested that the PRP's conduct sampling and cleanup of residential soils, which the group declined to do. Subsequently in 2004 Asarco announced that it would not be able to participate for financial reasons in an RI/FS for OU-4. Most recently work on OU-5 (Chat Piles) has been initiated.

Work Completed in 2008 (19A)

No work or expenditures were performed at this site by Asarco in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were mediated prior to estimation and settled. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
CHEROKEE COUNTY SITE**

Site Name	Cherokee County Site
Location	Cherokee County, Kansas
Performing Entity	PRP Group
Contact Person/ phone/email	Tom Klempel (Asarco) (520) 798-7796 Mr. David Drake (U.S. EPA Region 7) (913) 551-7686
Decree or Order	<u>U.S. v Asarco et al</u> Civil Action No. 99-1399 (D. Kansas 1999)
Settlement Agreement	Docket # 6143, 6367, & 6586
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

Asarco's predecessor Federal Mining and Smelting operated mines in the Baxter Springs and Treece areas of Cherokee County. As a result of a 1997 ROD the PRP group was obligated to implement a remedy that included: containment and stabilization of tailings impoundments and waste piles, identification and plugging of abandoned deep wells, and characterization and excavation of residential soils exceeding 800 ppm lead.

Work Completed in 2008 (19A)

No work or expenditures were performed at this site by Asarco in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were mediated prior to estimation and settled. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
JASPER COUNTY**

Site Name	Jasper County
Location	Jasper County, Missouri
Performing Entity	PRP Group
Contact Person/ phone/email	Chris Pfahl (Asarco) (208) 753-4321 jcpfahl@asarco.com Mr. Mark Doolan (U.S. EPA Region 7) (913) 551-7169
Decree or Order	Federal AOC 91-F-0020
Settlement Agreement	Docket #6143, 6367 & 6586
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

There are Four Operable units in Jasper County. OU's 2 and 3 are EPA lead for residential soil remediation. Asarco has had involvement in OU-1 (Mine and Mill Waste) and OU-4 (Groundwater). Asarco has also had responsibility for providing bottled water to residents whose well water was contaminated. The remedy for groundwater is being implemented and work towards a remedy for OU-1 is ongoing. A fund supported by the PRP's is paying for contractors working in this area. The State of Missouri is trying to initiate a NRD Assessment, but Asarco has declined participation at this time.

Work Completed in 2008 (19A)

No work or expenditures were performed at this site by Asarco in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were mediated prior to estimation and tentatively settled. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
NEWTON COUNTY SITE**

Site Name	Newton County Site
Location	Newton County, Missouri
Performing Entity	EPA
Contact Person/ phone/email	Chris Pfahl (Asarco) (208) 753-4321 jcpfahl@asarco.com Mr. Mark Doolan (U.S. EPA Region 7) (913) 551-7169
Decree or Order	EPA UAO VII-96-F-0022
Settlement Agreement	Docket #6143, 6367 & 6586
2008 Budget	Trust: \$ 0
2009 Proposal	Trust \$ 0

2008 Work Summary

Description of Work

In recognition of the contaminated nature of drinking water supplies in certain parts of the County, Asarco was ordered to supply bottled water to effected homes until municipal systems are constructed to include these homes. Residential properties that were identified as having lead contaminated soils were remediated by another PRP pursuant to an UAO, which was also sent to Asarco. In 2004, EPA sent Asarco and Blue T a draft AOC that addressed alternative water supply in Newton County. Asarco did not sign the AOC but did volunteer to map contaminated wells and sample wells not previously sampled. In 2006 EPA initiated a program to install new water lines. That work continued through 2007.

Work Completed in 2008

Asarco continued to support the program providing bottled water to selected County residents until August 9, 2005 when the company filed for bankruptcy. The Trust Fund budget did not allocate money for work at this site in 2008.

Cost of 2008 Work to Asarco (as of 10/08) (19A)

Trust: \$0.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
NEWTON COUNTY SITE**

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were mediated prior to estimation and tentatively settled. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
OMAHA (RESIDENTIAL)**

Site Name	Omaha (Residential)
Location	Omaha, Nebraska
Performing Entity	U.S. EPA, Region 7
Contact Person/ Phone & email	Don Bahnke (913) 551-7747 bahnke.donald@epa.gov Bob Litle (Asarco) (303) 296-5115
Decree or Order	<i>Action Memo 1: Time Critical Removal at Child Care Facilities and Homes with Elevated Blood Lead Children</i> <i>Action Memo 2: Time Critical Removal of Highly Contaminated Properties</i>
Settlement Agreement	Residual Environmental Settlement Sites Agreement – Paragraph 5(a)-(e)
2008 Budget	Trust: \$3,000,000
2009 Proposal	Trust: \$0

Work Summary

Description of Work

Pursuant to the above referenced Action Memos, EPA is performing work at this site. These funds will be available to help defray the costs of the work identified in the Action Memos for properties that the United States determines require immediate action. EPA Region VII will continue addressing child care facilities and residences that house children with elevated blood lead levels and a second for addressing residential properties with lead soil concentrations above 2,500 parts per million. The United States anticipates that numerous residential properties will need to be addressed this year using EPA's removal authority. The monies provided from the Trust shall be used to defray the costs necessary to perform the work identified in the Action Memos. The United States expects to use additional sources of funding for such work as well.

Work Completed in 2008 (19A)

A total of \$3,000,000 has been paid from the Trust in 2008. EPA is required to provide a report to the trustee detailing the work that was done and the cost that was incurred. Asarco has not yet received a copy of the report for the work that EPA performed in 2008.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
OMAHA (RESIDENTIAL)**

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were the subject of an estimation hearing. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
ARKANSAS RIVER NRDA**

Site Name	Arkansas River NRDA
Location	Leadville, Colorado
Performing Entity	Asarco or United States
Contact Person/ Phone & email	Bob Litle (Asarco) (303) 296-5115 blitle@asarco.com Jerry Ellington (DOJ) (303) 312-7321
Decree or Order	Voluntary NRDA site assessment & reclamation alternative
Settlement Agreement	Docket # 5230
2008 Budget 2009 Proposal	Trust: \$0 Trust: \$0

Work Summary

Description of Work

Asarco and the government have reached agreement in a settlement of the governments claims against Asarco at the California Gulch Superfund Site.

Work Completed in 2008 (19A)

Asarco did not perform work at this site in 2008, and no Trust Fund money was expended.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco is proposing that no work at this site be funded in 2009 by the Trust as a result of the settlement of the California Gulch Site claims.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
CALIFORNIA GULCH OU 7 (APACHE)**

Site Name	California Gulch OU 7 (Apache)
Location	Leadville, Colorado
Performing Entity	Asarco or United States
Contact Person/ Phone & email	Stan Christensen, (303) 312-6694 Christensen.Stanley@epa.gov Bob Litle (Asarco) (303) 296-5115
Decree or Order	Consent Decree <u>State of Colorado v Asarco et al</u> Civil Action No. 83-C-2388 (Consolidated with Civil Action No 86-C-1675)
Settlement Agreement	Docket # 5230
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

Asarco has completed the remedial action outlined in the Consent Decree and has provided the EPA and the State of Colorado with the Construction Completion report for the Apache Tailings (Operable Unit 7). No O & M was required at this site in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

Asarco and the government have reached agreement in a settlement of the governments claims against Asarco at the California Gulch Superfund Site.

Work Proposed for Trust Fund Support (19c)

Asarco is proposing that no work at this site be funded in 2009 by the Trust as a result of the settlement of the California Gulch Site claims.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
CALIFORNIA GULCH OU 9 (RESIDENTIAL SOILS)**

Site Name	California Gulch OU 9 (Residential Soils)
Location	Leadville, Colorado
Performing Entity	Asarco or United States
Contact Person/ phone/email	Robert Litle (Asarco) (303) 296-5115 blitle@asarco.com Stan Christensen, (303) 312-6694 Christensen.Stanley@epa.gov
Decree or Order	<u>Civil Action No. 83-C-2388</u> State of Colorado vs. Asarco et al.
Settlement Agreement	Docket # 5230
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

Asarco and the government have reached agreement in a settlement of the governments claims against Asarco at the California Gulch Superfund Site.

Description of Work for 2008

No work was done at this site requiring Trust funding in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco is proposing that no work at this site be funded in 2009 by the Trust as a result of the settlement of the California Gulch Site claims.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
CALIFORNIA GULCH OU 5 (SMELTER SITES)**

Site Name	California Gulch OU 5 (Smelter Sites)
Location	Leadville, Colorado
Performing Entity	Asarco or United States
Contact Person/ Phone & email	Stan Christensen, (303) 312-6694 Christensen.Stanley@epa.gov Bob Litle (Asarco) (303) 296-5115
Decree or Order	Consent Decree <u>State of Colorado v Asarco et al</u> Civil Action No. 83-C-2388 (Consolidated with Civil Action No 86-C-1675)
Settlement Agreement	Docket # 5230
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

Asarco and the government have reached agreement in a settlement of the governments claims against Asarco at the California Gulch Superfund Site.

Description of Work for 2008

No work was performed at this site requiring Trust funding in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco is proposing that no work at this site be funded in 2009 by the Trust as a result of the settlement of the California Gulch Site claims.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
CALIFORNIA GULCH OU 12 (SITE WIDE)**

Site Name	California Gulch OU 12 (Site Wide)
Location	Leadville, Colorado
Performing Entity	Asarco
Contact Person/ phone/email	Robert Litle (Asarco) (303) 296-5115 blittle@asarco.com
Decree or Order	<u>Civil Action No. 83-C-2388</u> State of Colorado vs. Asarco et al.
Settlement Agreement	Docket # 5230
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

Asarco and the government have reached agreement in a settlement of the governments claims against Asarco at the California Gulch Superfund Site.

Description of Work for 2008

No work was performed at this site requiring Trust funding in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco is proposing that no work at this site be funded in 2009 by the Trust as a result of the settlement of the California Gulch Site claims.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
CALIFORNIA GULCH OU 1 (YAK TREATMENT PLANT)**

Site Name	California Gulch OU 1 (Yak Treatment Plant)
Location	Leadville, Colorado
Performing Entity	Resurrection Mining Company (after 10/27/05)
Contact Person/ Phone & email	Stan Christensen (EPA) Christensen.Stanley@epa.gov Bill Lyle (Resurrection) (303) 837-5852 bill.lyle@newmont.com Bob Litle (Asarco) (303) 296-5115
Decree or Order	Administrative Order, Asarco Inc., Newmont Mining Co., Res-Asarco Joint Venture, and Resurrection Mining CO. Docket No. CERCLA VIII 89-20
Settlement Agreement	Docket # 5230
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Summary of Work

Description of Work

Asarco, Resurrection Mining Company and the government have reached agreement in a settlement of claims against Asarco at the California Gulch Superfund Site.

Work Completed in 2008 (19A)

No work was performed at this site requiring Trust funding in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco is proposing that no work at this site be funded in 2009 by the Trust as a result of the settlement of the California Gulch Site claims.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
EAST HELENA SOILS**

Site Name	East Helena (Soils)
Location	East Helena, Montana
Performing Entity	Asarco
Contact Person/ Phone & email	John Wardell (EPA) (406) 457-5001 Chris Pfahl (Asarco) (208) 753-4321 jcpfahl@asarco.com
Decree or Order	Administrative Order on Consent signed 07/19/91 - Docket CERCLA No. 91-17
2008 Budget	Trust: \$1,580,000

Summary of Work

Description of Work

The work that is subject to direct payment or reimbursement from the trust will include: (i) the response actions to be taken to remediate the approximately 73 remaining residential yards and 9 vacant lots at the site, (ii) remediation of irrigation ditches and approximately 7 acres of railroad ROW owned by BN specifically referenced in the proposed plan, (iii) any future investigation on the remediation of unknown properties with undeveloped lands, (iv) the cost to prepare or conduct any remedial work plans, remedial designs, and 5-year reviews (collectively "Studies") with respect to Operable Unit 2, and, (v) EPA and State costs for oversight of the studies.

In addition to the above described work, the Lead Education and Abatement Program administered by Lewis & Clark County Health Department is subject to funding with Trust funds.

Work Completed in 2008 (19A)

The contractor retained by Asarco will complete remediation of approximately 55 residential properties. In addition, the contractor provided project management, performed all required sampling, maintained the soil repository, and provided soil pursuant to the Garden Soil Program.

In addition, funding for the LEAP program has been provided when requested.

Cost of 2008 Work (as of 10/10/08) (19A)

Trust: \$931,582.57

Work under 2008 Scope remaining to be done: The contractor is scheduled to finish remediating residential properties until available funds are exhausted. In addition, the contractor will

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
EAST HELENA SOILS**

continue to provide project management, perform all required sampling, maintain the soil repository and provide soil pursuant to the Garden Soil Program. The Trust will continue funding of the ongoing Lewis & Clark County Lead Education and Abatement Program

Estimated cost for remaining work under 2008 scope: Trust: \$648,417.43

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
EAST HELENA SOILS**

Site Name	East Helena (Soils)
Location	East Helena, Montana
Performing Entity	Asarco or United States
Contact Person/ Phone & email	John Wardell (EPA) (406) 457-5001 Chris Pfahl (Asarco) (208) 753-4321 jcpfahl@asarco.com
Decree or Order	Administrative Order on Consent signed 07/19/91 - Docket CERCLA No. 91-17
Settlement Agreement	Class 7 – Docket Pending not filed
2009 Proposal	Trust: \$3,145,000

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

The work that is subject to direct payment or reimbursement from the trust will include: (i) the response actions to be taken to remediate the remaining residential yards and vacant lots at the site, (ii) remediation of irrigation ditches and approximately 7 acres of railroad ROW owned by BN specifically referenced in the proposed plan, (iii) any future investigation on the remediation of unknown properties with undeveloped lands, (iv) soil sampling at eligible properties that have not been sampled to date.

In addition to the above described remediation work, funding of the ongoing Lewis & Clark County Lead Education and Abatement Program (LEAP) is required.

The East Helena Soils Project should be eligible for \$200,000 in early funding.

Work Proposed for Trust Fund Support (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were mediated prior to estimation and tentatively settled. Asarco is proposing that work be funded by the 2009 Trust Fund Budget and be consistent with that tentative settlement agreement.

Estimated Trust Fund Contribution for 2009

Trust Fund (\$)
\$3,145,000

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
EAST HELENA SMELTER**

Site Name	East Helena (Smelter)
Location	East Helena, Montana
Performing Entity	Asarco
Contact Person/ Phone & email	Linda Jacobson (EPA) (303) 312-6503 Jon Nickel (Asarco) (406) 227-4529
Decree or Order	Consent Decree: <u>United States v. Asarco</u> , CV-98-3-H-CCL
2008 Budget	Work Budget: \$2,405,000, Approved Trust Reimbursement: \$1,000,000

2008 Work Summary

Description of Work

The funds from the Trust are used to reimburse costs associated with Asarco's performance of its obligations required pursuant to the above referenced Consent Decree. The work that is subject to reimbursement is set forth below.

Work Scheduled for 2008 (19A)

Groundwater Control Interim Measures

- Monitoring, sampling, and assessment of slurry walls installed in 2006 (Acid Plant Sediment Drying Area) and in 2007 (Speiss-Dross Area). In addition,
- Implementation of the Interim Measures Work Plan Addendum (Blast Furnace Flue and Monier Flue Cleaning and Demolition and Demolition Foot Print Exposed Areas Soils Sampling).

Historic Preservation Recordation and Documentation

- Photograph, research and documentation of structures prior to demolition in accordance with procedures of the State Historic Preservation Organization (SHPO).

Phase 2 CAMU Cell

- Construction of the Phase 2I cell was conducted during Spring and early Summer 2008. Loading, operation, and maintenance of the Phase 2 cell is ongoing.

Interim Measures – Residential Well Sampling

- Three residential wells in the northwest corner of East Helena on Gail Street were monitored monthly in 2008.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
EAST HELENA SMELTER**

Supplemental Monitoring Well Installation

- Thirteen additional monitoring wells were installed in spring 2008

Post Remedial Investigation (RI)/Feasibility Study (FS) – Long-Term Monitoring Program

- Water level measurement in 135 monitoring wells (all monitoring wells in the area),
- Sampling of 122 monitoring wells,
- Annual sampling of 25 residential wells and
- Semi-annual monitoring of 6 surface water sites.

Work Remaining to be completed in 2008:

Interim Measures Work Plan Addendum

- Demolition of the blast furnace flue and Monier flue is on-going and expected to be complete Fall 2008,
- Soil sampling is scheduled to be completed in areas exposed during the cleaning and demolition project, and
- Temporary lined covers are scheduled to be installed in the footprint of the demolished structures

Phase II CAMU Cell Operation and Closure for the Season.

- Loading and operation of the Phase II CAMU cell is on-going and will be concluded at the end of the 2008 season.]
- Installation of a temporary liner cap will conclude operation of the cell for the 2008 season.

Interim Measures – Residential Well Sampling

- The target residential wells are scheduled to be sampled in October, November and December 2008.

Post RI/FS – Long-Term Monitoring Program

- The target residential wells are scheduled the fall semi-annual monitoring campaign will be conducted in November 2008.

Cost of 2008 Work to Asarco (as of 10/09/08) (19A)

Work Completed to date 2008 is as follows:

		To-Date Total Cost (\$)
Long-Term and Interim Monitoring		\$308,000
CAMU Construction and Operation		\$2,367,326
Historic Recordation and Reporting		\$100,000
Total		\$ 2,775,326

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
EAST HELENA SMELTER**

Work remaining to be completed in 2008 is as follows:

		Estimated Total Cost (\$)
Long-Term and Interim Monitoring		\$ 120,000
CAMU Operation and Temp Closure		\$ 200,000
Total		\$ 320,000

Total Work under 2008 Scope:

	Eligible Trust Fund (\$)	Estimated Total Cost (\$)
Grand Total	\$1,000,000	\$3,095,000

As per the 2008 Pro Rata Reimbursement clause in the 2008 approved Budget, Asarco may seek contribution from the Trust up to a total of \$1,000,000 to pay for one-half of all contractor costs incurred in performing the covered work.

Asarco currently anticipates spending \$3,095,000 in Consent Decree related contractor costs in 2008. Asarco has submitted claims for \$223,445 to-date to the Trust, and anticipates submitting a pro rata claim before the end of the year for the eligible one-half of the total Consent Decree related contractor costs, which is currently estimated at \$1,000,000 (see table above).

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
EAST HELENA SMELTER**

Site Name	East Helena (Smelter)
Location	East Helena, Montana
Performing Entity	Asarco or United States
Contact Person/ Phone & email	Linda Jacobson (EPA) (303) 312-6503 Jon Nickel (Asarco) (406) 227-4529
Decree or Order	Administrative Order on Consent signed 07/19/91 - Docket CERCLA No. 91-17
Settlement Agreement	Montana Custodial Trust Settlement Agreement – Paragraph 7(b)(vii)&(viii)
2009 Proposal	Trust: \$1,500,000

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

Historical Recordation and Reporting of Remaining Structures

- Recordation and reporting will be conducted on the remaining facility structures and other features in accordance with SHPO protocols

Plant Area Hazardous Waste Cleanup

- Completion of cleanup of processing areas in consultation with the Montana Department of Environmental Quality. For budget estimation purposes, it is assumed the costs of cleanup of hazardous waste from plant processing areas is not part of the Trust reimbursable activities.
- Placement of temporary caps and covers associated with the exposed footprints of demolished structures is an activity driven by EPA and is assumed to be eligible under the Trust.

Phase II CAMU Cell Construction

- Loading, operation, and maintenance of the Phase II cell is scheduled for Spring 2009.

Phase II RFI and RA

- Preparation of a phase II RFI, including an assessment of human health and ecological risks.
- Completion of supplemental monitoring wells to complete definition of elevated selenium concentrations north of East Helena,
- Collection of supplemental media including biological data for RA purposes.

Post Remedial Investigation (RI)/Feasibility Study (FS) – Long-Term Monitoring Program

Post-RI/FS Long-Term Monitoring has been conducted bi-annually as part of the East Helena CERCLA program from 1991 through 2008. The proposed 2009 scope of work consists of a semiannual program that includes:

- Sampling of 125 monitoring wells, 6 surface water sites, and annual sampling of 25 residential

2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL EAST HELENA SMELTER

wells.

- Monthly monitoring of 3 residential wells on Gail Street that are critical for intermediate aquifer monitoring in East Helena.
- Sampling 47 on the plant site, and the EH-100 series of monitoring wells in the City of East Helena on a quarterly basis.

Pump and Treatment of Surface Water and Water from the Dross/Speiss Acid Plant

Although an active pump and treat remedy for groundwater is not proposed for the site, contingency treatment of surface water and groundwater is being planned. Treatment of surface water associated with runoff from disturbed demolition areas is likely. There also remains a potential for temporary groundwater treatment in the former speiss/dross area and/or former acid plant sediment drying area for water level control within the new slurry walls.

Repair and/or Replacement of Temporary Covers on the Plant Site.

Significant area on the plant site has been covered with temporary plastic sheeting liners. The life of this type of liner is 2 to 3 years. Replacement or repair of older liner areas such as the former sinter plant area is anticipated in 2009.

Corrective Measures Study

Following completion of the Phase II RFI and RA, a CMS is scheduled to be conducted. It is expected the CMS could be initiated in late 2009.

Estimated Cost of Work in 2009 and additional years

Year	Task	Cost (\$)
2009	Historical Recordation & Reporting on Remaining Structures	\$200,000
2009	Hazardous Waste Cleanup and Demolition	\$1,000,000
2009	Placement of Temp Covers in Demolition Foot Print Areas	\$250,000
2009	CAMU (Waste Disposal and Management)	\$100,000
2009	Phase II RFI and RA	\$300,000
2009	Long-Term Groundwater-Surface Water Monitoring Program	\$400,000
2009	Contingency Surface Water and Groundwater Treatment	\$250,000
2009	Repair and/or Replacement of Temporary Covers.	\$200,000
2009	Corrective Measures Study	\$300,000
2009	Total	\$3,000,000

2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL EAST HELENA SMELTER

Work Proposed for Trust Fund Support (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure.

In 2009, funds from the Trust will be used to pay or reimburse costs associated with Asarco's performance of its obligations required pursuant to the above referenced Consent Decree. The work that is subject to reimbursement is set forth below.

2009 Activities

Estimated Trust Fund Contribution for 2009

Year	Task	Trust Fund (\$)
2009	Historical Recordation & Reporting on Remaining Structures	\$200,000
2009	Placement of Temp Covers in Demolition Foot Print Areas	\$250,000
2009	CAMU (Waste Disposal and Management)	\$100,000
2009	Phase II RFI and RA	\$300,000
2009	Long-Term Groundwater-Surface Water Monitoring Program	\$400,000
2009	Contingency Surface Water and Groundwater Treatment	\$250,000
	2009 Total	\$1,500,000

Justification for Priority Funding (19c)

- **Human Health Risk** (Population size, proximity to contaminants, likelihood of exposure):
 - All actions address human health risks associated with arsenic migration in groundwater and soils and plant residues.
 - Long-term monitoring monitors potential risks to down-gradient water supply users.
- **Site Stability** (Mobility of Contaminants, Site Structure and Effectiveness of Institutional or Physical Controls): Source controls on the site have resulted in a reduction of the extent and concentration of the arsenic plume.

Contaminant Characteristics (Concentration, Toxicity and Volume): The 2009 monitoring program includes key parameters to examine the characteristics of arsenic and selenium in groundwater including arsenic speciation as well as several key indicator parameters. Removal of hazardous materials from the plant will immediately reduce the volume of contaminants at the plant site.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
MIKE HORSE/UPPER BLACKFOOT MINING COMPLEX**

Site Name	Mike Horse/Upper Blackfoot Mining Complex
Location	Lincoln, Montana
Performing Entity	USDA Forest Service
Contact Person/ phone/email	Chris Pfahl (208) 753-4321 jcpfahl@asarco.com David Bowers (Montana DEQ) (406) 444-2500 dbowers@mt.gov Beth Ihle (USDA-FS) (406) 266-3425 bihle@fs.fed.us
Decree or Order	<u>In the Matter of: Upper Blackfoot Mining Complex</u> , AOC for EE/CA (USDA-FS, Region 1)
2008 Budget	Trust: \$80,000

Work Summary

Description of Work

The Beartrap Creek Diversion was installed by the USDA-FS to mitigate against overtopping or the structural compromise of the Mike Horse Impoundment from spring snow-melt or other significant precipitation events. Costs incurred by the United States that is subject to reimbursement include: (1) monitoring Groundwater, waters contained behind the impoundment, and water levels within the saturated portions of the impoundment structure itself, (2) maintenance and operation of the Beartrap Creek Diversion, including but not limited to removing channel obstructions and repairing portions of the diversion should they become compromised during the spring thaw and run off.

Work Completed in 2008(19A)

Unknown as USFS is performing entity.

Cost of 2008 Work (as of 10/10/08) (19A)

Trust: \$0

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
MIKE HORSE/UPPER BLACKFOOT MINING COMPLEX**

Site Name	Mike Horse/Upper Blackfoot Mining Complex
Location	Lincoln, Montana
Performing Entity	Asarco or Montana DEQ
Contact Person/ Phone & email	Chris Pfahl (208) 753-4321 jcpfahl@asarco.com David Bowers (Montana DEQ) (406) 444-2500 dbowers@mt.gov Beth Ihle (USDA-FS) (406) 266-3425 bihle@fs.fed.us
Decree or Order	<u>In the Matter of: Upper Blackfoot Mining Complex, AOC for EE/CA (USDA-FS, Region 1)</u>
Settlement Agreement	Docket # 7538
2009 Proposal	Trust: \$250,000

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2008 and additional years if warranted (19c)

Cost incurred by ASARCO that would be eligible for reimbursement by the trust include all costs associated with the startup, operation, and maintenance of the Mike Horse Water Treatment Plant.

Estimated Cost of Work in 2009 and additional years

<u>Year</u>	<u>Cost (\$)</u>
2009	250,000

Work Proposed for Trust Fund Support (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were mediated prior to estimation and tentatively settled. Asarco is proposing that work to be performed in 2009 be supported by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
MIKE HORSE/UPPER BLACKFOOT MINING COMPLEX**

Estimated Trust Fund Contribution for 2009

Trust Fund (\$)
250,000

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
MURRAY SMELTER SITE**

Site Name	Murray Smelter Site
Location	Murray, Utah
Performing Entity	ASARCO
Contact Person/Phone & E-mail	Mark Eddy (Asarco) (520) 798-7795 Meddy@asarco.com Bonnie Lavelle (U.S. EPA Region 8) (303) 312-6579 Lavelle.bonita@epa.gov
Decree or Order	<u>U.S. v Asarco et al</u> Civil Action No. 0415B (D. Utah 1998)
2008 Budget	Trust: \$140,000

Work Summary

Description of Work

Remedial construction was completed in 2001. The remedy called for the implementation of an institutional control (IC) program to be administered by Murray City at Asarco's expense and a periodic groundwater monitoring program to demonstrate the effectiveness of the remedy.

Work Completed in 2008

EPA announced that it was going to perform the groundwater monitoring. EPA asked ASARCO to facilitate sampling activities with local contractor for the year.

Cost of 2008 Work to Asarco (as of 10/08) (19A)

Trust: \$ 0

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
MURRAY SMELTER SITE**

Site Name	Murray Smelter Site
Location	Murray, Utah
Performing Entity	Asarco or United States
Contact Person/ Phone & email	Mark Eddy (Asarco) (520) 798-7795 Meddy@asarco.com Bonnie Lavelle (U.S. EPA Region 8) (303) 312-6579 Lavelle.bonita@epa.gov
Decree or Order	<u>U.S. v Asarco et al</u> Civil Action No. 0415B (D. Utah 1998)
Settlement Agreement	Multi-State Custodial Trust Settlement Agreement - Paragraph 9(e)(xvi)
2009 Proposal	Trust: \$ 145,000

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted

Continuing of quarterly sampling and reporting. O & M of the wells and repository

Estimated Cost of Work in 2009 and additional years

Year	Task	Cost (\$)
2009	Monitoring and reporting	100,000
2009	O & M and maintenance	45,000

Work Proposed for Trust Fund Support (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Asarco is proposing that sampling, reporting and O & M be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
RICHARDSON FLAT**

Site Name	Richardson Flat
Location	Park City, Utah
Performing Entity	United Park City Mines
Contact Person/ Phone & email	Tom Klempel (Asarco) (520) 798-7796 tklempel@asarco.com Jim Christiansen (303) 312-6312
Decree or Order	N/A
Settlement Agreement	Miscellaneous Federal and State Environmental Sites - Paragraph 7(a)(vi)
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

The scope of work includes repair of the tailings pond cap and treatment of mine tunnel drainage.

Scope of work performed in 2008 to date

No work or expenditures were budgeted from the Trust fund or performed at this site by Asarco in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Prior to entering into an estimation process the parties were able to negotiate and settle the claims. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
VB I-70**

Site Name	VB I-70
Location	Denver, Colorado
Performing Entity	U.S. EPA, Region 8
Contact Person/ phone/email	Victor Ketellapper (303) 312-6578 ketellapper.victor@epa.gov Robert Litle (Asarco) (303) 296-5115
Decree or Order	OU 1 - United States and State of Colorado v. Asarco, Civil Action No. 04- RD-2070 (CBS) (D. Colo., lodged October 6, 2004) OU 2 - AOC CERCLA-08-2001-13
Settlement Agreement	Miscellaneous Federal and State Environmental Sites - Paragraph 7(a)(iv)
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

In 2005 Asarco completed the remedial action for OU 1 and performed a Remedial Investigation (RI)/Feasibility Study (FS) for Operable Unit 2 (OU2). This included investigating hazardous waste management alternatives to remediate or control contaminated media remaining at the facility. Asarco obtained access and drilled the proposed groundwater wells and boreholes. The initial well development indicated that there was petroleum or organics in the groundwater that were not likely to be related to metals concentration, so further RI/FS work by Asarco has been postponed while EPA works with the City/County of Denver related to the potential that these contaminants may have originated from a landfill that the City operated at the Site.

Scope of work performed in 2008 to date

No work requiring Trust fund money was performed at the site in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation,

2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
VB I-70

which is an expedited claims liquidation procedure. Asarco is proposing that no work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
GOLINSKY MINE SITE**

Site Name	Golinsky Mine Site
Location	Shasta-Trinity National Forest
Performing Entity	USDA Forest Service
Contact Person/ Phone & email	Dennis Geiser, (USDA-FS) (707) 562-8729 Leslie Roos, (USDA-FS) (530) 226-2316 Chris Pfahl (Asarco) (208) 753-4321 jcpfahl@asarco.com
Decree or Order	Removal Action Memo
Settlement Agreement	Docket # 6172
2008 Budget	Trust: \$125,000
2009 Proposal	Trust: \$0

Work Summary

Description of Work Subject to Reimbursement:

Pursuant to a CERCLA removal action memorandum, USDA is continuing to perform removal action work at the Golinsky Mine Site. The funds will help defray the cost of work planned for 2008 that are part of the continuing removal action for the Site.

Cost of 2008 Work (as of 10/10/08):

Trust: \$50,000

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were mediated prior to estimation and tentatively settled. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
HAYDEN RESIDENTIAL**

Site Name	Hayden Residential
Location	Hayden, Arizona
Performing Entity	United States
Contact Person/ Phone & email	John Hillenbrand (EPA) 415-972-3494 hillenbrand.john@epa.gov Jack Garrity (Asarco) 520-356-3284 jgarrity@asarco.com
Decree or Order	N/A
2008 Budget	Trust: \$815,000

Work Summary

Description of Work

Asarco offered to voluntarily remediate Hayden residential soils at 15 priority properties identified by previous EPA sampling. The yard replacements were substantially completed by June, 2008, with the final gravel placement completed in September.

Work Completed in 2008 (19A)

EPA was paid \$225,000 from the Trust Fund in February 2008 for Remedial Investigation expenses.

The residential remediation was conducted with EPA oversight. Asarco was the performing entity under the Administrative Settlement Agreement and Order on Consent for Removal Action at the Asarco Hayden Plant Site, U.S. EPA Region IX, CERCLA Docket No. 2008-09 (AOC) dated March, 2008 between ASARCO LLC (Asarco) and the Environmental Protection Agency (EPA).

At each property, one foot of soil was removed from accessible areas and soil samples were collected from the base of the excavation for analysis of arsenic, copper and lead. Where concentrations were at or above the respective removal confirmation levels, an additional foot of soil was removed. The excavations were then backfilled with clean material from Asarco's Robinson Ranch. Backfill material was sampled to confirm all material met the requirements outlined in the work plan. The yard was then re-landscaped to match pre-existing conditions and watered. Gravel or decorative rock was offered to homeowners for previously barren areas in their yard.

Excavated soils were transported to the Asarco Hayden Plant property and stockpiled as agreed to by EPA. Permitting issues at the gravel pit delayed installation of gravel driveways and decorative rock. Those permitting issues were resolved in August 2008 and this phase of work was completed by September 15, 2008.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
HAYDEN RESIDENTIAL**

Six of the 15 properties required a second excavation to two feet. No one chose to relocate during cleanup of his or her property. Four chose to have the interior of their home cleaned.

Cost of 2008 Work (as of 10/08):

Trust: \$815,000
(\$225,000 to EPA, \$590,000 to Asarco's contractor)

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
HAYDEN RESIDENTIAL**

Site Name	Hayden Residential
Location	Hayden, Arizona
Performing Entity	United States or Asarco
Contact Person/ Phone & email	John Hillenbrand (EPA) 415-972-3494 hillenbrand.john@epa.gov Karen Pickett (Asarco) 520-395-6719 kpickett@asarco.com
Decree or Order	Administrative Settlement Agreement and Order on Consent (AOC) Docket No. CERCLA-2008-10
Settlement Agreement	
2009 Proposal	Trust: \$ 1,000,000

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

Asarco is proposing that funding from the Trust be used for part of the residential yard replacement project that is required to be performed in 2009. The work at this site is being performed pursuant to the above referenced AOC. The work necessary to comply under that AOC performed by contractors retained by Asarco or the United States and subject to reimbursement from the Trust is:

1. There are approximately 450 properties identified in the towns of Hayden and Winkelman, Arizona as part of this EPA action. Of those properties, 99 have been sampled by EPA during the Phase I investigation. 15 properties were remediated in 2008 by Asarco under a separate AOC with EPA. All properties are required to be sampled and subsequently remediated if they exceed the EPA action levels. This funding would pay for the initial sampling of these properties that have not been assessed to date. (\$250,000)
2. The bulk of this funding would be spent for remediation of approximately 45 properties (assumes a 1 foot cut for each property). (\$750,000)

Work Proposed for Trust Fund Support (19c)

Work proposed for Trust Fund 2009 is the scope described above.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
BUNKER HILL OU 1**

Site Name	Bunker Hill Operable Unit 1
Location	Coeur d'Alene, Idaho
Performing Entity	UMG
Contact Person/ phone/email	Angela Chung (EPA) (206) 553-6511 Chris Pfahl (Asarco) (208) 753-4321 jcpfahl@asarco.com
Decree or Order	<u>United States and State of Idaho v. Asarco et al.</u> Case No. CV94-206-N-EJL (D. Idaho)
Settlement Agreement	Class 7 – Pending signatures Hecla Agreement
2008 Budget	Trust: \$189,000
2009 Proposal	Trust: \$0

Work Summary

Description of Work

The funds may be used to help defray the costs of third party contractors costs incurred in performing clean-up pursuant to the above referenced consent decree. The work subject to payment by the trust includes:

- 1) Remediation of Page Pond Repository
- 2) Payment for 2007 ICP costs.

Reimbursement is limited to 50% of total amount spent.

Work Completed in 2008 (19A)

Unknown as UMG is performing entity

Cost of 2008 Work (as of 10/10/08) (19A)

Trust: \$0.00

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
BUNKER HILL OU 1**

of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were the subject of an estimation hearing. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
COEUR D'ALENE RIVER BASIN (RESPONSE ACTIONS)**

Site Name	Coeur d'Alene River Basin (Response Actions)
Location	Coeur d'Alene River Basin, Idaho
Performing Entity	United States (EPA)
Contact Person/ phone/email	Ann Dailey, EPA (206) 553-2110 Chris Pfahl (Asarco) (208) 753-4321 jcpfahl@asarco.com
Decree or Order	No Controlling Order or Decree
Settlement Agreement	Docket # 8336
2008 Budget 2009 Proposal	Trust: \$670,000 Trust: \$0

Work Summary

Description of Work

1. Sampling, site characterization and project planning to support the remedial design effort associated with the Lane Marsh area.
2. Engineering efforts associated with construction of one or more splay areas in the Lower Basin.
3. Actions relating to capping and otherwise addressing mine tailings deposited along I-90 and SF CdA River.

Cost of 2008 Work (as of 10/10/08) (19A)

Trust: \$400,000 has been transferred to EPA.

Work Completed in 2008 (19A)

Unknown as EPA and BLM is performing entity

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
COEUR D'ALENE RIVER BASIN (RESPONSE ACTIONS)**

estimation, which is an expedited claims liquidation procedure. Claims related to this site were the subject of an estimation hearing. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
COEUR D'ALENE NRD**

Site Name	Coeur d'Alene NRD
Location	Coeur d'Alene River Basin, Idaho
Performing Entity	United States Department of Interior, BLM; USDA Forest Service and CdA Tribe
Contact Person/ phone/email	Brian Spears, USFWS (509) 891-6839 Kathleen Moynan, FSFWS (503) 872-2819 Fax (503) 231-2196 Jeff Johnson USDA-FS (208) 765-7442 Bob Kirkpatrick USDA-FS (406) 329-3307 Phil Cernura, CdA Tribe (208) 667-5772 Chris Pfahl (Asarco) (208) 753-4321 jcpfahl@asarco.com
Decree or Order	No Controlling Order or Decree
Settlement Agreement	Residual Environmental Settlement Sites Agreement – Paragraph (4)(a)-(c)
2008 Budget	Trust: \$1,025,000
2009 Proposal	Trust: \$0

Work Summary

Description of Work Subject to Reimbursement

The 2008 Budget relates to four projects. Trust funds were budgeted to pay for or reimburse the United States for any costs (including, but not limited to, internal costs of agency personnel) incurred in the performance of the work described below.

Task 1: Agriculture to Wetland Conversion and Restoration, Area 1 (USFWS)
(Approx. Total \$175,000)

Task 2: Sherlock Creek Mine Restoration (USFS)
(Approx. Total \$740,000)

Task 3: Pine Creek Watershed (BLM)
(Approx. Total \$100,000)

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
COEUR D'ALENE NRD**

Task 4: Hepton Lake (CdA Tribe)
(Approx. Total \$10,000)

Cost of 2008 Work (as of 10/10/08) (19A)

The USFWS, USDA-FS, BLM & CdA Tribe are the performing entities for this work. As of to-date none have filed claims against the Trust.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were the subject of an estimation hearing. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
GEM MINE PORTAL**

Site Name	Gem Mine Portal
Location	Canyon Creek, Idaho
Performing Entity	Asarco
Contact Person/ Phone & email	Bill Adams (EPA) (206) 553-2806 adams.bill@epa.gov Chris Pfahl (Asarco) (208) 753-4321 jcpfahl@asarco.com
Decree or Order	Administrative Order on Consent: <u>Gem Mine Portal Canyon Creek Idaho</u> Docket Number 10-97-0172-CERCLA
Settlement Agreement	
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

No additional work is required at this site other than reclamation of the Pilot Water Treatment Facility as required by BLM. Asarco is waiting for BLM to convey their reclamation requirements.

Work Completed in 2008 (19A)

Limited reclamation work was performed at this site.

Cost of 2008 Work (as of 10/15/08) (19A)

Trust: \$0

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and has been subject to an estimation hearing. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
JACK WAITE MINE**

Site Name	Jack Waite Mine
Location	CdA National Forest Shoshone County, Idaho
Performing Entity	United States
Contact Person/ phone/email	Jeff Johnson (USFS) (208) 765-7442 Bill Adams (EPA) (206) 553-2806 Chris Pfahl (Asarco) (208) 753-4321 jcpfahl@asarco.com
Decree or Order	None
Settlement Agreement	Miscellaneous Federal and State Environmental Sites - Paragraph 7(a)(vii)
2008 Budget	Trust: \$1,000,000
2009 Proposal	Trust: \$0

Work Summary

Description of Work

Remedial design and remedial action at the site.

Work Completed in 2008 (19A)

A total of \$634,377 has been paid from the Trust in 2008. This amount combined with the remaining \$365,623 from the 2007 budget equal the \$1,000,000 2008 budget. The Forest Service is required to provide a report to the trustee detailing the work that was done and the cost that was incurred.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
RUSTON/NORTH TACOMA RESIDENTIAL**

Site Name	Ruston/North Tacoma Residential Cleanup
Location	Tacoma, Washington
Performing Entity	Asarco
Contact Person/ Phone & email	Kevin Rochlin (EPA) (206) 553 2106 Robert Miller (Asarco) (253) 752-1470 romiller@asarco.com
Decree or Order	Consent Decree: <u>United States v Asarco</u> , Civil No. C94-5714RJB (W.D. WA)
2008 Budget	Trust: \$3,400,000.00

Work Summary

Description of Work (Residential Yards)

Work at this site is being performed pursuant to the above referenced Consent Decree (CD). The work necessary to comply under that CD performed by contractors retained by Asarco and subject to reimbursement from the Trust is:

1. Engineering: This engineering work covers the production of property cleanup maps, and as-builds maps, and other required engineering and oversight activities related to yard cleanup and sampling.
2. Construction/yard cleanup: Yard cleanups per the requirements of the CD was completed on approximately 150 properties. Remediation on all residential properties and rights-of-way were completed this year where owners would allow access.
3. Staff Asarco/EPA information center in Tacoma.
4. Analysis of pre-remediation and conformational samples, including data validation for all 2008 sampling.

Ruston North Tacoma Residential Cleanup – 2008 Expenses		
Activity	Trust	
Total Costs	\$ 3,400,000.00	

2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL RUSTON/NORTH TACOMA RESIDENTIAL

Work Completed in 2008 (19A)

As of October 6, 2008 construction/yard cleanup of the original 150 planned properties is approximately 94% complete with 141 properties remediated. The additional properties are expected to be remediated by November 30, 2008. Remediation on all residential sites and rights of way were completed this year where property owners would grant access. Several large areas at Point Defiance Park were also remediated. There are more large areas within the park that still require remediation in the future.

The Remediation Information Center was open and available to Ruston and Tacoma residents through MRC Construction. MRC also provided the engineering, planning and reporting needed to complete all the work in 2008.

Pre-sampling of approximately 10 previously refused properties was completed in 2008. Analysis has been performed on those samples and homeowner notification sent. EPA worked closely with previously refused property owners and was able to obtain consent from several owners. Properties in the outer zone (Zone 4) are voluntary participation at this point. It is anticipated that EPA will take action to require that these owners participate in the program, but that decision will not be made in time to impact 2008 work.

MRC Construction completed an initial transfer of the database for remediated and sampled properties in the study area in 2006. All 2006, 2007 and 2008 work has been stored in the new digital format. Transfer of the previous data has been made, but extensive review is needed to insure the accuracy of the data transfer as well as transfer of the paper files to digital format.

Cost of 2008 Work to Asarco (as of 10/20) (19A)

Trust: \$3,400,000

a) Work under 2008 Scope remaining to be done:

Remediation of remaining properties will be completed by November 30, 2008. Supporting engineering, mapping, reporting (including data validation) and homeowner notification will continue until completion by December 31, 2008 for both remediation and sampling activities.

The Asarco Information Center will be staffed through December 31, 2008.

b) Estimated cost for remaining work under 2008 scope as of October 6, 2008:

Trust: \$482,463.45

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
RUSTON/NORTH TACOMA RESIDENTIAL**

Site Name	Ruston/North Tacoma Residential Cleanup
Location	Tacoma, Washington
Performing Entity	Asarco or United States
Contact Person/ Phone & email	Kevin Rochlin (EPA) (206) 553 2106 Robert Miller (Asarco) (253) 752-1470 romiller@asarco.com
Decree or Order	Consent Decree: <u>United States v Asarco</u> , Civil No. C94-5714RJB (W.D. WA)
Settlement Agreement	Residual Environmental Settlement Sites Agreement – Paragraph 7(a)
2009 Proposal	Trust: \$1,500,000

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were mediated prior to estimation and tentatively settled. Asarco is proposing that funding from the Trust be used for the work required to be performed in 2009.

The number of properties proposed for remediation in 2009 is approximately 52 of the remaining 58 large subunits of properties at Point Defiance Park. In the future (beyond 2009), EPA may require remediation and sampling of the remaining properties in the outer zone and complete the database work. The work at this site is being performed pursuant to the above referenced Consent Decree (CD). The work necessary to comply under that CD performed by contractors retained by Asarco or the United States and subject to reimbursement from the Trust is:

1. Engineering: This covers property cleanup maps and as-builds, and other required engineering activities related to yard cleanup. This work includes all production of required reports. (\$250,000)
2. Staff Asarco/EPA information center in Tacoma: Information center staff provide the homeowner coordination and notification as well as answer general questions from the public (such as sample results for specific properties). (\$30,000)
3. Sampling and analysis: This work includes sampling of all properties (conformational), as well as data validation. (\$18,000)

2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL RUSTON/NORTH TACOMA RESIDENTIAL

4. Construction/yard cleanup of Point Defiance Park: Soil remediation per the requirements of the Consent Decree will be completed on approximately 52 subunits of the park. The goal is to complete as many properties as possible during 2009 while a disposal location at the former smelter site is available. Since the former smelter site began development in 2008, it is unclear how much longer this disposal location will be available after this year. These costs include organic reduction measures as required by the new owner as well as stockpile management costs.

Estimated Cost of Work in 2009 and additional years

Year	Task	Cost (\$)
2009	Residential Yard Remediation	\$1,500,000
2010	Residential Yard Remediation	\$1,500,000

Work Proposed for Trust Fund Support (19c)

Work proposed for Trust Fund 2009 is the scope described above.

Estimated Trust Fund Contribution for 2009

Trust Fund (\$)
\$1,500,000

Justification for Priority Funding (19c)

Risks to Human Health Exposed: The population of the Ruston/Tacoma area is approximately 200,000. The plan for 2009 includes removal of soils that exceed Ruston soils criteria (230 ppm As and 500 ppm Pb) in approximately 52 large public park subunits.

Contaminant Characteristics: Analysis of pre-sampled soils pre-sampled has shown arsenic contamination as high as 4,000 ppm. Generally soils removed from residential properties range from 230 – 1,000 ppm As. Pb concentrations trigger remediation with concentrations ranging from 500 – 1,000 ppm.

Program Management Considerations: The Ruston/North Tacoma Residential Soils removal project has been ongoing for over 15 years. Substantial completion of property remediation was scheduled for October of 2003. The work was delayed for several years due to severe cost constraints. This is a high profile project due in large part to its location near Commencement Bay and has a high level of community involvement and support. Considerable cost savings can be realized if soil remediation is completed prior to site capping, allowing residential soils to be disposed on the former Tacoma Smelter site.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
ASARCO TACOMA SMELTER**

Site Name	Asarco Tacoma Smelter
Location	Tacoma, Washington
Performing Entity	Asarco or United States
Contact Person/ Phone & email	Kevin Rochlin (206) 553-2106 Robert Miller (Asarco) (253) 752-1470 romiller@asarco.com
Decree or Order	Consent Decree: <u>United States v Asarco</u> , Civil No. C91-5528B (W.D. WA)
Settlement Agreement	Miscellaneous Federal and State Environmental Sites - Paragraph 7(a)(i)
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Asarco was obligated to perform work on this site pursuant to the above referenced Consent Decree. The work necessary to comply with Asarco's obligations under the CD are subject to reimbursement from the trust. No trust funding was budgeted or performed at this site by Asarco in 2008.

Tacoma Purchase Agreement

On December 8, 2005, ASARCO LLC (Asarco) entered into the Tacoma Purchase Agreement with Point Ruston LLC, for the sale of the Tacoma Property. The Federal Consent Decree has been modified to include Point Ruston LLC as a signatory and the sale was approved by the bankruptcy court. The sale of the property closed on November 1, 2006. Point Ruston LLC has assumed all responsibility for the former smelter site and certain responsibilities for adjacent properties.

Work Completed in 2008 (19A)

No work or expenditures were budgeted from the trust fund or performed at this site by Asarco in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
ASARCO TACOMA SMELTER**

estimation, which is an expedited claims liquidation procedure. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
TACOMA HYLEBOS**

Site Name	Tacoma Hylebos
Location	Tacoma, Washington
Performing Entity	Asarco
Contact Person/ Phone & email	Thomas L. Aldrich (Asarco) (520) 798-7749 taldrich@asarco.com
Settlement Agreement	Miscellaneous Federal and State Environmental Sites - Paragraph 7(a)(i)
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

EPA calculated Asarco's share of the future response (cleanup) at \$669,838. To cash out, Asarco would be required to pay either a 50% premium (\$877,257) or a 100% premium (\$1,084,676). With the 50% premium, Asarco could still be asked to contribute additional funds if the cleanup exceeded the estimated cost of approximately \$50 million. The 100% premium would preclude any additional payments. If this item is included in the Trust Fund budget Asarco would execute the consent decree for this site. This would complete Asarco's obligation at this site and avoid costs in the future.

Scope of work performed in 2008

No work was performed at this site in 2008.

2009 Work Proposal and Budget Summary

Work Proposed for Trust Fund Support (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
MANCHESTER**

Site Name	Manchester
Location	Manchester, New Jersey
Performing Entity	Heritage
Contact Person/ Phone & email	Tony Findley (NJDEP) (609) 633-0715 John Lord (Heritage) (732) 922-6100 Vince Wildman (Asarco) (732) 826-1800 vwildman@asarco.com
Decree or Order	Voluntary environmental cleanup
Settlement Agreement	
2008 Budget 2009 Proposal	Trust: \$0 Trust: \$0

Work Summary

Description of Work

Under the Agreement of Sale with Heritage, the Company indemnified Heritage for acts of the Company that caused hazardous substances to be discharged on or under the property. During Heritage's attempted residential development of the site, it became apparent that environmental problems exist at the site. The most significant involve underground oil contamination and radioactive mine tailings. An agreement dated June 22, 1995 has been executed whereby the Company and Heritage will each bear 50 percent of the costs of remediation of underground oil contamination.

The remediation/recovery relative to the fuel oil spill is ongoing. With respect to the radioactive mine tailings, the tailings have been remediated to the satisfaction of the State of New Jersey.

Work Completed in 2008 (19A)

There was no work at this site by Asarco requiring Trust funding in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
MANCHESTER**

Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
NEWARK**

Site Name	Newark
Location	New Jersey
Performing Entity	ASARCO MASTER
Contact Person/ phone/email	Bob Miller (Asarco) (253) 752-1470 romiller@asarco.com Bennet Barnes (New Jersey Department of Environmental Protection) (609) 292-3131
Decree or Order	N/A
Settlement Agreement	
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

The work relates to conducting groundwater monitoring and inspection, repair and maintenance of an asphalt cap. No work was subject to these funds for 2008.

Work Completed in 2008 (19A)

No work was performed at this site requiring Trust funding in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. While no claims related to this site have been filed, the State continues to assert that Federated Metals (ASARCO MASTER) is responsible for performing the required monitoring and reporting. ASARCO MASTER is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
PERTH AMBOY**

Site Name	Perth Amboy
Location	Perth Amboy, New Jersey
Performing Entity	Asarco
Contact Person/ Phone & email	Robert Miller (Asarco) (253) 752-1470 #224 romiller@asarco.com Tony Findley (NJDEP) (609) 633-0715
Decree or Order	Memorandum of Agreement between Asarco & NJEDP, 1994
Settlement Agreement	
2008 Budget 2009 Proposal	Trust: \$0 Trust: \$0

Work Summary

Description of Work

The Perth Amboy facility operated from 1894 – 1976 as a nonferrous metals refinery. In 1976 the copper refinery was closed and in 1978, the Lead Products and Alloy Production Departments were closed. The site was sold in 1981 to Mr. Neuberne Brown. The sale was rescinded by court order in 1991 and Asarco assumed ownership of the site. Pursuant to New Jersey's Voluntary Cleanup Program, Asarco entered into a Memorandum of Agreement with the New Jersey Department of Environmental Protection to investigate conditions on the property. The Remedial Investigation Report was approved by the NJDEP in 2001. The status of the outstanding issues is as follows:

SITE WIDE SOIL – The soil remedy is capping with a deed restriction. The Capping is substantially complete with buildings, concrete, asphalt and road millings. A deed notice has not been filed. DEP has approved this remedy for soil but has not approved the draft deed notice. We expect that when the property is redeveloped, a new deed notice will be prepared by the developer incorporating the development as the engineering control.

HISTORIC FUEL SPILL – Petroleum Hydrocarbon contamination was found at the east end of the site and determined to have originated from the release of fuel oil (No. 6) from underground lines long since removed. The cost to actively remediate this area is about \$900,000.

GROUNDWATER – Groundwater modeling has established that there is no exceedance of the NJDEP surface water quality standards as a result of the metals in the groundwater. Since there

2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL PERTH AMBOY

are no receptor impacts, Asarco has proposed a groundwater remedy of a natural attenuation in perpetuity. NJDEP has not approved the proposed remedy.

Scope of work performed in 2008 to date

Asarco submitted the following documents to the NJDEP:

- A Remedial Action Workplan: No. 6 Fuel Oil Recovery April 1, 2006
- A Remedial Investigation Workplan April 1, 2006
- Revised Remedial Action Workplan: No. 6 Fuel Oil Recovery July 16, 2007.
- Preliminary Assessment Report Addendum and Remedial Investigation Work Plan Addendum January 2007.

To-date there has been virtually no response from the NJDEP regarding submittals of the above documents.

2009 Work Proposal and Budget Summary

Work Proposed for Trust Fund Support (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
ALTON LEAD SMELTER**

Site Name	Alton Lead Smelter
Location	Alton, Illinois
Performing Entity	Asarco
Contact Person/ Phone & email	Todd Gross (IEPA) (217) 785-0221 Bob Miller (Asarco) (253) 752-1470 romiller@asarco.com
Decree or Order	Response to NOV
Settlement Agreement	Multi-State Custodial Trust Settlement Agreement - Paragraph 9(e)(viii)
2008 Budget	Trust: \$0

Work Summary

Description of Work

In 2008, no work at the Alton site was conducted that was funded by the trust. An Alton Site 2006 Investigation Data Summary Report, and an Alton Site Remedial Action Work Plan have been prepared and submitted to IEPA, which comment is yet to be received. The Alton Lead Smelter in Alton, Illinois, was built by The Federal Lead Company in 1902 and purchased by Asarco in 1912. At various times throughout its existence a cadmium plant and a secondary aluminum plant operated at the site, in addition to the lead smelter. The lead smelter was one of the largest lead smelters in the world in the 1930's. In 1959, the smelter was shut down, and in 1969 the secondary aluminum operation was sold. The site is approximately 60 acres. A slag pile, covering 10 acres and containing approximately 400,000 cubic yards of slag, remains on the site.

In 1991 Asarco entered into an agreement with the State of Illinois to undertake certain remedial actions. The agreement was made as part of the States' Voluntary Action Program. To-date, the site has been characterized in agreement with procedures required by the Agency. Data associated with the characterization has been submitted to the Agency. In the second quarter of the year 2000, 1,500 tons of aluminum dross was removed from the site. The material was treated at a permitted facility and disposed of to a permitted landfill.

On March 30, 2006, IEPA issued a Violation Notice pursuant to Section 31 (a)(1) of the Illinois Environmental Protection Act, 415 ILCS 5/31 (a)(1). Asarco provided written responses to IEPA and met with IEPA in June 2006 to discuss cleanup options and additional investigation activities, and Asarco's status as a subject of a Chapter 11 bankruptcy case pending the U.S. Bankruptcy Court for the Southern District of Texas. In August, as a result of its meetings with IEPA, Asarco prepared the Alton Site 2006 Investigation Work Plan for collection of groundwater samples and sediment samples. The plan was implemented in November 2006 and a Data Summary Report was submitted to IEPA in February 2007. In February 2007 Asarco and IEPA agreed to a

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
ALTON LEAD SMELTER**

remedial action approach for the Alton Site. This approach was described in the Alton Site Remedial Action Work Plan (October 2007).

It is estimated that the cost to complete remediation of the site will be \$5 million. Specific issues to be addressed include: Consolidation of nonhazardous refractory (approximately 15,000 tons); Stabilization, removal and disposal of hazardous refractory (approximately 6,000 tons); and the capping of slag pile (approximately 13 acres).

Work Completed in 2008 (19A)

No work was conducted at this site in 2008 that was supported by the trust fund.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
ALTON LEAD SMELTER**

Site Name	Alton Lead Smelter
Location	Alton, Illinois
Performing Entity	Asarco
Contact Person/ Phone & email	Todd Gross (IEPA) (217) 785-0221 Bob Miller (Asarco) (253) 752-1470 romiller@asarco.com
Decree or Order	Response to NOV
Settlement Agreement	Multi-State Custodial Trust Settlement Agreement - Paragraph 9(e)(viii)
2009 Proposal	Trust: \$1,500,000

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

The scope of work remaining in the Alton Site Remedial Action Work Plan (October 2007) is as follows:

- Smelter remnant debris removal and consolidation on the slag yard area.
- Plant site soil removal and consolidation on the slag yard area.
- K-Street and I-Street soil removal and transport to the slag yard area.
- Cap slag yard.
- Semi-annual groundwater monitoring

Estimated Cost of Work in 2009 and additional years

Year	Task	Cost (\$)
2009	Move K/I-street Soils, Stack and Building Brick, and Site-Wide Soils and Consolidation in Slag Yard	\$1,647,000
2009	Cap Slag Yard	\$2,068,000
2009	Semi-annual Groundwater Monitoring Program	\$30,000
2009	Security and O&M	\$42,000
2009	Total	\$2,881,000
2010	Semi-annual Groundwater Monitoring Program	\$30,000

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
ALTON LEAD SMELTER**

2010	Cap O&M	\$5,000
2010	Site Security	\$32,000
2010	Total	\$67,000
2011	Semi-annual Groundwater Monitoring Program	\$30,000
2010	Cap O&M	\$5,000
2010	Site Security	\$32,000
2010	Total	\$67,000

Work Proposed for Trust Fund Support (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure.

Asarco proposes the following activities to be funded by the trust in 2009:

Estimated Cost of Work in 2009 and additional years

Year	Task	Cost (\$)
2009	Move K/I-street Soils, Stack and Building Brick, and Site-Wide Soils and Consolidation in Slag Yard, Install Temporary Cover.	\$1,500,000

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
HILLSBORO**

Site Name	Hillsboro
Location	Hillsboro, Illinois
Performing Entity	Asarco
Contact Person/ Phone & email	Marc Wagner (IEPA) (217) 785-0221 Bob Miller (Asarco) (253) 752-1470 romiller@asarco.com
Decree or Order	Draft AOC
2008 Budget	Trust: \$0

2008 Work Summary

Description of Work

Asarco purchased the Hillsboro site from the American Zinc Company in 1971 and operated the 650 acre site until 1994 when 10 acres of the property and assets were sold to the U.S. Zinc Corporation. In 1995 Asarco entered into the Illinois Voluntary Action Program (VAP) to perform certain characterize the site. In 1999 Asarco and Blue Tee Corporation (successor to American Zinc) reached an agreement whereby Asarco's responsibility is 20%. Although the investigations were submitted to the Illinois EPA, an agreement on the characterization of site materials was not reached. In 2006, the US EPA Region 5 completed its scoring the site for a NPL Listing. August 2006, the US EPA submitted a draft Administrative Order of Consent (AOC) and a draft Statement of Work (SOW) to Asarco and Blue Tee that lays out procedures for preparation of Scoping Documents and a Remedial Investigation/Feasibility Study (RI/FS) for characterization and remediation of the Hillsboro site.

The AOC and SOW presents document and investigation requirements to conduct remedial investigation activities and assess and select remedial alternatives for the Hillsboro site. Of the work performed in 2008, Asarco is responsible for 20% of costs incurred and Blue T is responsible for 80%. Work being conducted in 2008 includes:

- Preparation of Scoping Documents, response to comments and revisions. This includes review of the site history, existing data and preparation of a scoping document that summarizes this effort.
- Provided support and technical assistance for EPA's Community Involvement Plan. This includes preparation for and participation in public information meetings.
- Preparation of Remedial Investigation Work Plans. These include:
 - RI Work Plan

2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL HILLSBORO

Work Completed in 2008 (19A)

Work being conducted in 2008 includes:

- Preparation of Scoping Documents, response to comments and revisions. This includes review of the site history, existing data and preparation of a scoping document that summarizes this effort.
- Provided support and technical assistance for EPA's Community Involvement Plan. This includes preparation for and participation in public information meetings.
- Preparation of Remedial Investigation Work Plans. These include:
 - RI Work Plan
 - SAP/QAPP
 - Health and Safety Plan
 - Risk Assessment Work Plan

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
HILLSBORO**

Site Name	Hillsboro
Location	Hillsboro Illinois
Performing Entity	Asarco or Blue Tee
Contact Person/ Phone & email	Larry Johnson (EPA) (312) 886-6609 johnson.larry@epamail.epa.gov Terri Faye (Blue T) (724) 837-6221 Bob Miller (Asarco) (253) 752-1470 romiller@asarco.com
Decree or Order	Draft AOC and SOW
Settlement Agreement	Docket # 7784 Multi-State Custodial Trust Settlement Agreement - Paragraph 9(e)(x)
2009 Proposal	Trust: \$500,000

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

The AOC and SOW presents document and investigation requirements to conduct remedial investigation activities and assess and select remedial alternatives for the Hillsboro site. Of the work performed in 2008, Asarco will be responsible for 20% of costs incurred and Blue T will be responsible for 80%. Work to be conducted in 2009 includes:

- Site Characterization of:
 - Groundwater, surface water, and surface and subsurface soils:
 - Slag and other debris from former operations
 - Evaluation of the nature and extent of contaminant migration
 - Preparation of an RI Report that includes:
 - All collected data
 - Data evaluation
 - Definition of the nature and extent of contaminants and the potential for migration
 - A Risk Assessment

Estimated Cost of Work in 2009 and additional years

Year	Task	Cost (\$)
2009	Engineering Cost for Remedial Design	\$500,000

2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL HILLSBORO

2010	Select Remedy Prepare Design and Bid Documents, Initiate Remedy Implementation	\$500,000
2010	Implement Remedy	\$19,000,000
2011	Long-Term Monitoring and O&M	\$135,000

Work Proposed for Trust Fund Support (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure.

It is proposed that in 2009 funds from the trust will be used to pay or reimburse costs associated with Asarco's performance of its obligations required pursuant to the above referenced Consent Decree. The work performed by the contractors retained by Asarco that is subject to reimbursement is set forth below and is described by identifying the separate projects proceeding at this Site and identifying which of the costs Asarco is to incur in such work.

Of the \$621,000 total for work in 2009, \$124,000 is proposed for trust fund support (20% of the cost).

Estimated Trust Fund Contribution for 2009

Trust Fund (\$)
<hr/>
\$500,000

Justification for Priority Funding (19c)

- **Human Health Risk** (Population size, proximity to contaminants, likelihood of exposure): The RI/FS and subsequent actions will address potential human health risks from direct contact with surface soils and slag. There are no residents in the immediate area and potential human health risks are potential exposure from casual property trespass (hunting, four wheeling) and to occasional exposure to site workers using the former plant area. The RI/FS will address options that directly reduce the potential to direct exposure from the slag and from surface soils. It would also reduce the potential to exposure to elevated metals in groundwater and surface water.
- **Site Stability** (Mobility of Contaminants, Site Structure and effectiveness of Institutional or Physical Controls): The stability of the site has been addressed by previous actions implemented

2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL HILLSBORO

as part of the State Volunteer program or as part of operational programs with the State of Illinois. These actions primarily of slag and cinder grading. The RI/FS would address additional stability steps.

- **Contaminant Characteristics (Concentration, Toxicity and Volume):** Metal (particularly lead, cadmium and zinc) concentrations in surface soils, surface water and groundwater are elevated on the plant site and in adjacent areas. The RI/FS includes an evaluation of contaminant concentrations, toxicity and volume for remedial action purposes.
- **Environmental Factors and Risk**
 - Endangered Species or Critical Habitats: The RI/FS will evaluate potential environmental risks from metals impacts on surface water and groundwater. There are no anticipated effects on endangered species or critical habitats.
 - Sensitive Environmental Areas: Particularly or unusually sensitive environmental areas have not been identified; however, the RI/FS will address the potential for these areas.
- **Project Management Considerations**
 - Innovative Technologies: The remedial plan will consider a range of technological options for the site including innovative technologies.
 - Cost Delays: Delay of trust fund approval could delay the implementation of all elements of the RI/FS in 2009.
 - High Profile Project - Community Support and Additional Funding Contingent on Approval of the Budget: The support for the project by the community is unknown. The trust fund is expected to be 20% of project funding.

Brownfields/Site Reuse or Revitalization: At least one potential buyer and developer of the property has approached Asarco and EPA of its intention to acquire the property and develop it as a brownfield site. The status of this potential is not certain at this time.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
MIDLAND COAL**

Site Name	Midland Coal
Location	Farmington, Illinois
Performing Entity	Asarco
Contact Person/ Phone & email	Scott Fowler (ILDNR) (217) 785-5192 Tom Klempel (Asarco) (520) 798-7796 tklempel@asarco.com
Decree or Order	N/A
Settlement Agreement	
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

Asarco operated Midland Coal from 1970 when it was acquired from Peabody Coal, until 1989 when the last remaining mine, the Rapatee, was sold to a management group. The Mecco Mine was closed in 1980 and the Elm Mine was closed in 1984. There remains approximately 568 acres of former coal mining properties in various stages of reclamation.

Continued reclamation of this site is a result of both Federal and State reclamation laws relative to coal mining. The work is necessary for Surety Bond release as well as sale of reclaimed properties. Work scheduled for 2008 included primarily the direction of crop rotation and the monitoring of yield on formerly mined properties.

Work Completed in 2008(19A)

Work completed in 2008 included drainage and erosion control and water sampling and analysis, and the required crop management.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

Work in 2009 and beyond will include continued crop yield monitoring and will continue until the reclamation bonds can be released and the properties sold. No Trust Fund money will be needed or requested for this work.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
FORMER ZINC OXIDE FACILITY (COLUMBUS)**

Site Name	Former Zinc Oxide Facility (Columbus)
Location	Columbus, Ohio
Performing Entity	Asarco
Contact Person/ Phone & email	Dan Vogel (Ohio EPA) (614) 644-3020 Brian Munson (Asarco) (520) 356-2229
Decree or Order	Ohio Voluntary Action Program, 1995
Settlement Agreement	Multi-State Custodial Trust Settlement Agreement - Paragraph 9(e)(xiv)
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

Asarco entered into Ohio's Voluntary Action Program in 1995 to address environmental concerns at the 40-acre site. Concerns included buildings requiring demolition, potential groundwater contamination and slag/clinker deposited on the ground from historic operations. Remediation, including construction of a clay cap, has been completed.

Remediation also included installation of passive water treatment for water contained in the fill beneath the cap. Water is discharged from the treatment system to a Ph stabilization tank, then to a storm water retention pond, and lastly through a NPDES permitted outfall. The discharge from the outfall is monitored monthly.

The effectiveness of the passive treatment system is monitored on a monthly basis by sampling of effluent discharged from the system for heavy metals and related parameters. Results of monitoring and analyses will be submitted to the Ohio EPA. Additionally, the geochemical barrier cells required maintenance in 2004 and 2006.

There were no specific costs subject to reimbursement or consideration under this budget for 2008.

Work Completed in 2008 (19A)

A trust fund was established as financial security for the O&M requirements. It is anticipated that the agency will respond with a Covenant Not to Sue in the near future. Meanwhile, Asarco is under a continuing obligation to monitor a discharge under the agreement with Ohio EPA. There were no specific costs subject to reimbursement or consideration under this budget for 2008 and none are planned for 2009.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
FORMER ZINC OXIDE FACILITY (COLUMBUS)**

Cost of 2008 Work to Asarco (as of 9/08) (19A)

Trust: \$0

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
BLACK HAWK MILL**

Site Name	Black Hawk Mill
Location	Black Hawk, New Mexico
Performing Entity	Asarco
Contact Person/ phone/email	Brian Munson (Asarco) (520) 356-2229 Chris Eustice (NMED) 505-827-1046
Decree or Order	Work is being performed under a voluntary agreement between Asarco and the State of New Mexico dated 2/22/96
Settlement Agreement	
2008 Budget	Trust: \$0
2009 Proposal	Trust \$0

Work Summary

Description of Work

The funds were used in past years to help defray costs associated with Asarco's performance of its obligations to continue site remediation under the above referenced Administrative Order on Consent (AOC) with the State of New Mexico. There were no specific costs subject to reimbursement or consideration under this budget for 2008.

Work Completed in 2008 (19A)

There were no specific costs subject to reimbursement or consideration under this budget for 2008.

Cost of 2008 Work to Asarco (as of 09/08) (19A)

Trust: \$0.00

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
DEMING MILL**

Site Name	Deming Mill
Location	Deming, New Mexico
Performing Entity	Asarco
Contact Person/ phone/email	Brian Munson (Asarco) (520) 356-2229 James Hollen (New Mexico Mining and Minerals Division) (505) 476-3436 james.hollen@state.nm.us Rick Shean (New Mexico Department of Environmental Quality – VRP) (505) 222- 9550
Decree or Order	VRP agreement published 9/9/04, site 53043001
Settlement Agreement	Multi-State Custodial Trust Settlement Agreement - Paragraph 9(e)(xii)
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

Past funds were historically used to help defray costs associated with Asarco's performance of work at this site. The work related to site characterization and documentation for developing a closure plan for the windblown tailings under the state VRP program. The bulk of the work involved developing and implementing a soil-testing program for the windblown site. Efforts in 2007 focused on implementing an approved Remedial Plan for the windblown tailing portion of the project and completing the closure for the Tailing facility. Ongoing work in 2008 has included seeding, and drainage repair following some unusual storm events.

Work Completed in 2008 (19A)

There were no specific costs subject to reimbursement or consideration under this budget for 2008. Work has included completing the Tailing closure plan under the state mining permit and performing maintenance activities.

Cost of 2008 Work to Asarco (as of 10/08) (19A)

Trust: \$0

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
DEMING MILL**

ASARCO - \$1.5 Million

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure.

Work anticipated for 2009 includes monitoring and maintenance.

Estimated Cost of Work in 2009 and additional years

Year	Task	Cost (\$)
2009		\$0

Work Proposed for Trust Fund Support (19c)

There are no specific costs requested for reimbursement or consideration from the Trust under this budget for 2009.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
MAGDALENA MILL**

Site Name	Magdalena Mill
Location	Magdalena, New Mexico
Performing Entity	Asarco
Contact Person/ phone/email	Brian Munson (Asarco) (520) 356-2229 Rick Shean (New Mexico Department of Environmental Quality - VRP (505) 222- 9550
Decree or Order	N/A
Settlement Agreement	Multi-State Custodial Trust Settlement Agreement - Paragraph 9(e)(xiii)
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

The funds are used to help defray costs associated with Asarco's performance of work at this site. The work relates to remediation of commercial and residential properties near an old lead and zinc smelter. Remaining work includes characterization of remediated areas, completion of site-specific risk analyses, and additional remedial work as necessary. No work was funded under the Trust in 2008.

Work Completed in 2008 (19A)

No work was conducted in 2008.

Cost of 2008 Work to Asarco (as of 9/08) (19A)

Trust: \$0

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
MAGDALENA MILL**

Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

Remaining work includes development and implementation of a plan for excavation and cleanup of minor areas of impacted soils on site and adjacent to the site, covering with suitable material and/or hauling to the nearby remediated tailings for final disposal. Work will also involve confirmation sampling and completion of the risk assessment.

Estimated Cost of Work in 2009 (for Trust) and additional years

Year	Task	Cost (\$)
2009		\$0

Work Proposed for Trust Fund Support (19c)

Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
EL PASO SMELTER RFI**

Site Name	El Paso Smelter RFI
Location	El Paso, Texas
Performing Entity	Asarco
Contact Person/ Phone & E-mail	Brad Wilkinson (TCEQ) (512) 239-2350 bwilkins@tceq.state.tx.us Tom Klempel (Asarco) (520) 798-7796 tklempel@asarco.com
Decree or Order	D.O.-96-0212-MLM-E
2008 Budget	Trust: \$0

Work Summary

Description of Work

No work was done in 2008 that was supported from the Trust.

Work Completed in 2008 (19c)

Asarco established a budget of approximately \$7.0M to complete the scheduled 2008 scope of work which included building a third repository for Category I material and completing permanent covers on all three repositories to prevent damage due to erosion and weathering. The volume of Category I material proved to be greater than estimated and the design of the repository was modified to allow it to be built higher to accommodate an increased volume. While all of the Category I material that had previously been identified through Remedial Investigations have been excavated and placed in the three repositories, it is likely that more Category I materials will be identified and that a fourth repository will be needed to address these materials. The change in scope to accommodate increasing volumes of Category I materials resulted in increased construction time, effort and cost. The permanent covers for the three repositories will not be completed in 2008.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
EL PASO SMELTER RFI**

Site Name	El Paso Smelter RFI
Location	El Paso, Texas
Performing Entity	Asarco or TCEQ
Contact Person/ Phone & E-mail	Brad Wilkinson (TCEQ) (512) 239-2350 bwilkins@tceq.state.tx.us Tom Klempel (Asarco) (520) 798-7796 tklempel@asarco.com
Decree or Order	D.O.-96-0212-MLM-E
Settlement Agreement	Texas Custodial Trust Settlement Agreement
2009 Proposal	Trust: \$4,000,000

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

All three repositories need a permanent cover to protect them from damage caused by erosions and weathering. A fourth repository needs to be sited to provide for the likely probability that additional volumes of Category I material will be identified.

Proposed for Trust Fund Support (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were mediated prior to estimation and tentatively settled.

Asarco is proposing that money be utilized from the Trust Fund to permanently cover the three existing repositories and to site a fourth repository. Asarco is further proposing that this site be eligible for \$2.0 million of early funding to insure that the repository covering can be installed before erosion and weathering damages the caps.

Engineering and Design

- Engineering support, including design components for asphalt capping and AOC

2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL EL PASO SMELTER RFI

landfill construction,

Construction

- Continuation of asphalt capping, and construction of permanent covers on on-site AOC landfill cells

Estimated Trust Fund Contribution for 2009

Trust Fund (\$)
4,000,000

Justification for Priority Funding (19c)

As part of the 1996 TCEQ Agreed Order and subsequent addition to the 1999 Federal Consent Decree, Asarco is required: to investigate environmental impacts (on-site and off-site) from current and past operations; perform feasibility studies; design corrective actions; and perform remedial activities as necessary.

Risk to Human Health and Threat to the Environment:

With regards to the current status, the investigations and remedial activities have been geared towards source removal and/or isolation, dependent upon potential impacts to human health and the environment. Soil exposure pathways have been identified with respect to the plant area and some portions of Asarco's property to the northeast of the main plant property. Investigations performed by scientists from both the EPA and Asarco have not definitively demonstrated a health threat or identified a source in the residential areas off-site.

Contaminant Characteristics:

Contaminants of concern are primarily arsenic, lead and cadmium.

Program Management Considerations:

- **Project Continuity**

The project will continue forward in compliance with the requirements of the TCEQ following the completion of the residential soils remediation. There is concurrence between TCEQ and Asarco for the need to continue with the long-term objectives of the project. In addition there is intense political pressure for Asarco to continue implementing a remediation plan for the site.

- **Project Support**

The continuation of the investigations and remediation at the El Paso Smelter is under scrutiny by the community, neighborhoods, politicians and regulators (city, state, federal). All parties agree on the importance of complying with the requirements of the Agreed Order and the Consent Decree.

- **Other Money Availability**

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
EL PASO SMELTER RFI**

At this time there is no other identified Responsible Parties (RP's) or funding sources contributing to the work being performed at the El Paso Smelter.

Early Funding Request (as per paragraph 16 of the Trust Agreement)

A number of sites did not utilize their entire 2008 Trust Fund budget and it is likely that there will be monies remaining that can be utilized for early funding in 2009, as per paragraph 16 of the Trust Agreement. Asarco is proposing that this site be eligible for \$2.0 million of early funding to insure that the repository covering can be installed to insure that erosion and weathering do not damage the existing repositories.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
ENCYCLE ON-SITE**

Site Name	Encycle (On-Site)
Location	Corpus Christi, Texas
Performing Entity	Trustee/State of Texas
Contact Person/ Phone & email	Brad Wilkinson (TCEQ) (512) 239-2350 Mike Boudloche, Trustee (361) 693-9402
Decree or Order	Consent Decree: <u>United States and Texas v. Encycle and Asarco</u> (Civil Action No. H-99-1136)
Settlement Agreement	Docket # 6020 & 7342
2008 Budget 2009 Proposal	Trust: \$0 Trust: \$0

Work Summary

Description of Work

In 1999, Asarco and Encycle entered into a Consent Decree with the United States and the State of Texas (Civil Action No. H-99-1136). Among other items, this Decree requires Asarco and Encycle to undertake RCRA Corrective Action at: (1) East and West Lagoons; and, (2) Other Solid Waste Management Units and Areas of Concern. Work required will include:

East and West Lagoons

Except for deed certification, closure of the East and West Lagoons was completed in 2004.

Solid Waste Management Units and Areas of Concern

On January 15, 2004, the TCEQ approved the RCRA Facility Investigation (RFI) report and authorized Encycle to proceed with preparation of a Baseline Risk Assessment (BLRA). The Baseline Risk Assessment was submitted for approval on April 14, 2004. On June 3, 2004, the TCEQ issued a Notice of Deficiency that requested additional data and clarification. In response to this Notice, a Baseline Risk Assessment Addendum was submitted for approval on August 27, 2004. Required activities remaining to be completed after the BLRA include: (1) Corrective Measures Study (CMS) and Corrective Measures Implementation (CMI) Work Plan; (2) Corrective Measures Implementation; and, (3) Corrective Measures Completion Report.

2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL ENCYCLE ON-SITE

Chapter 7 Bankruptcy Filing

On August 26, 2005, Encycle, Inc. and Encycle/Texas, Inc., filed for protection under chapter 11 of the United States Bankruptcy Code (on September 21, 2005, Encycle/Texas, Inc. elected to convert its case to a chapter 7 proceeding). With this filing, the TCEQ/Trustee acquired certain rights and responsibilities of Encycle, including the right to possess and control Encycle's property.

Work Completed in 2008 (19A)

No support was requested or used from the Trust Fund.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were mediated prior to estimation and settled. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
HOUSTON FEDERATED SITE**

Site Name	Houston Federated Site
Location	Houston, Texas
Performing Entity	ASARCO MASTER INC
Contact Person/Phone & E-mail	Bob Litle (Asarco) (303) 296-5115 Blitle@asarco.com Ron Dildine (Texas Commission on Environmental Quality) (512) 239-4977 rdildine@tceq.state.tx.us
Decree or Order	State Superfund Agreed Order
2008 Budget	Trust: \$900,000

Work Summary

Description of Work

In 2008 ASARCO MASTER, contracting with EnergySolutions, performed a multimillion dollar interim removal action, removing up to 800,000 cubic feet of low-level radioactive waste, hazardous waste and industrial waste from the surface of the site.

ASARCO MASTER, TCEQ and Environmental Liability Transfer (ELT) have agreed on the terms of an "Asset and Liability Transfer" under which ELT would take title to the site and assume ASARCO MASTER's obligations under the agreed order.

Cost of 2008 Work to ASARCO MASTER (as of 10/08) (19A)

Costs incurred to date are:

Trust: \$227,384.36

A third and fourth round of groundwater monitoring has been completed and a second supplemental hydrological investigation has been performed to further delineate groundwater at the site.

ASARCO MASTER does not propose to perform any further new work utilizing the Trust Fund in 2008 and estimates that there will be at least \$600,000 of the 2008 budget that will not be used.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
HOUSTON FEDERATED SITE**

Site Name	Houston Federated Site
Location	Houston, Texas
Performing Entity	ASARCO MASTER INC
Contact Person/ Phone & E-mail	Bob Litle (Asarco) (303) 296-5115 Blittle@asarco.com Ron Dildine (Texas Commission on Environmental Quality) (512) 239-4977 rdildine@tceq.state.tx.us
Decree or Order	State Superfund Agreed Order
Settlement Agreement	Asset and Liability Transfer to ELT, Houston
2009 Proposal	Trust: \$0

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

ASARCO MASTER, TCEQ and Environmental Liability Transfer (ELT) completed the "Asset and Liability Transfer" under which ELT has taken title to the site and assumed ASARCO MASTER's obligations under the agreed order.

Work Proposed for Trust Fund Support (19c)

ASARCO MASTER is proposing that no work at this site be funded in 2009 by the Trust as a result of the "Asset and Liability Transfer".

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
AMARILLO RFI**

Site Name	Amarillo RFI
Location	Amarillo, Texas
Performing Entity	Asarco
Contact Person/ Phone & email	Maureen Hatfield, P.G., Texas Commission on Environmental Quality (TCEQ) 512-239-2034 mhatfield@tceq.state.tx.us Pat Donovan (Asarco) (806) 468-4134
Decree or Order	TCEQ Permit No. WDW-129, Provision XII, December 8, 2003
Settlement Agreement	Texas Custodial Trust Settlement Agreement
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

Groundwater monitoring has been done at this site in an effort to establish whether the Ogallala Aquifer has been impacted. The TCEQ has reviewed and commented on the Groundwater Report and the RFI Phase II Report. A baseline risk assessment and corrective measures implementation plan remain to be done.

Cost of 2008 Work to Asarco (as of 10/08) (19A)

No work requiring Trust funding was performed in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

TCEQ has indicated that work remains at the Amarillo Copper Refinery related to fully defining the contaminated groundwater plume, additional soils sampling to determine the lateral extend of soil contamination, and that removal of contaminated soil at selected solid waste management units will continue in 2009 and carry forward in subsequent years.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
AMARILLO RFI**

Work Proposed for Trust Fund Support (19c)

There are no specific costs subject to reimbursement or consideration under this budget for 2009.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
HENRYETTA PLANT SITE**

Site Name	Henryetta Plant Site
Location	Henryetta, Oklahoma
Performing Entity	Asarco
Contact Person/ phone/email	Brian Munson (Asarco) (520) 356-2229 Ray Roberts (Oklahoma Department of Environmental Quality) (405) 702-5137
Decree or Order	Consent Order with Oklahoma Department of Environmental Quality, 1997
Settlement Agreement	Miscellaneous Federal and State Environmental Sites - Paragraph 7(g)(ii)
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

The funds were historically used to help defray costs associated with Asarco's performance of work at this site. The work relates to work required to complete the remediation at the site. The specific costs that are subject to reimbursement under this budget are the costs related to completion of the Henryetta remedial plan and its implementation. There were no specific costs subject to reimbursement or consideration under this budget for 2008.

Work Completed in 2008 (19A)

There were no specific costs subject to reimbursement or consideration under this budget for 2008.

Cost of 2008 Work to Asarco (as of 9/08) (19A)

Trust: \$0

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
HENRYETTA PLANT SITE**

estimation, which is an expedited claims liquidation procedure. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
KUSA PLANT SITE**

Site Name	Kusa Plant Site
Location	Dewar, Oklahoma
Performing Entity	Asarco
Contact Person/ phone/email	Brian Munson (Asarco) (520) 356-2229 Ray Roberts (Oklahoma Department of Environmental Quality) (405) 702-5137
Decree or Order	Consent Order with Oklahoma Department of Environmental Quality, 1997
Settlement Agreement	Miscellaneous Federal and State Environmental Sites - Paragraph 7(g)(i)
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

The funds were historically used to help defray costs associated with Asarco's performance of work at this site. The work relates to conducting additional investigations and development of a Remedial Work Plan to describe the measures necessary to remediate the site in accordance with the Remedial Plan. There were no specific costs subject to reimbursement or consideration under this budget for 2008.

Work Completed in 2008 (19A)

There were no specific costs subject to reimbursement or consideration under this budget for 2008.

Cost of 2008 Work to Asarco (as of 9/08) (19A)

Trust: \$0

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation,

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
KUSA PLANT SITE**

which is an expedited claims liquidation procedure. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
SAND SPRINGS**

Site Name	Sand Springs
Location	Sand Springs, Oklahoma
Performing Entity	Asarco
Contact Person/ phone/email	Brian Munson (Asarco) (520) 356-2229 Ray Roberts (Oklahoma Department of Environmental Quality) (405) 702-5137
Decree or Order	Consent Agreement and Final Order with Oklahoma Department of Environmental Quality, October 1994
Settlement Agreement	Multi-State Custodial Trust Settlement Agreement - Paragraph 9(e)(xv)
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

There was no funding for this site for 2008.

Work Completed in 2008 (19A)

There was no funding for this site for 2008.

Cost of 2008 Work to Asarco (as of 9/08) (19A)

Trust: \$0

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
GLOVER LEAD FACILITY**

Site Name	Glover Lead Facility
Location	Glover, Missouri
Performing Entity	Asarco
Contact Person/ Phone & email	Rich Nussbaum (573) 751-3553 rnussbaum@mail.dnr.state.mo.us Robert J. Miller (Asarco Consulting Inc.) (253) 752-1470 romiller@asarco.com
Decree or Order	Consent Decree: <u>State of Missouri vs. Asarco</u> , 1994: Missouri Department of Natural Resources; District Court – Iron County
Settlement Agreement	Docket # 7070
2008 Budget 2009 Proposal	Trust: \$0 Trust: \$0

Work Summary

Description of Work

The funds from the trust were to be used to pay or reimburse costs associated with Asarco's performance of its obligations required pursuant to the above referenced 2005 Consent Decree. In accordance with the Consent Decree, a three-phase Remedial Plan was submitted to MDNR in early 2001, and Phase I of the Remedial Plan was approved by MDNR in January 2003. The Remedial Plan also included a Slag Pile Capping Plan, which was approved by the department in early 2003.

Work Completed in 2008 (19A)

No work or expenditures were budgeted from the trust fund or performed at this site by Asarco in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were mediated prior to estimation and tentatively settled. Asarco is not proposing that any work at

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
GLOVER LEAD FACILITY**

this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
BONANZA MINING DISTRICT**

Site Name	Bonanza Mining District
Location	Saguache County, Colorado
Performing Entity	Asarco
Contact Person/ Phone & email	Jim Lewis/CDPHE/HMWMD (303) 692-3390 Bob Litle (Asarco) (303) 296-5115
Decree or Order	Statement of Roles and Responsibilities between the Bonanza Group and the State in 1994.
Settlement Agreement	Miscellaneous Federal and State Environmental Sites - Paragraph 7(e)(i)
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

The remedy has been completed at this site and the remaining obligation is related to surface water monitoring as it is memorialized in the Statement of Roles and Responsibilities between the Colorado Department of Public Health and the Environment and Asarco. Asarco is negotiating a settlement of all claims filed against Asarco at this site.

Work Completed in 2008 (19A)

No work requiring Trust Fund money was performed at the site in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Asarco is proposing that no work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
GLOBE (COMMERCIAL SOILS)**

Site Name	Globe (Commercial Soils)
Location	Denver, Colorado
Performing Entity	Asarco
Contact Person/ Phone & email	Fonda Apostolopoulos, (CDPHE) (303) 692-3411 Bob Litle (Asarco) (303) 296-5115
Decree or Order	Consent Decree: <u>Colorado v. Asarco</u> (D. CO) Civil Action NO. 83-C-2383
2008 Budget	Trust: \$570,000

Work Summary

Description of Work

The funds have been used to help defray certain costs associated with Asarco's performance of its obligations under the above referenced consent decree. The work performed by the contractors retained by Asarco in 2008 that is subject to reimbursement from the Trust includes sampling and remediation of commercial and industrial properties in the footprint area.

Scope of work performed in 2008 (19A)

Costs incurred to date are:

Trust: \$28,704.86

Sampling has been completed at all commercial properties allowing access and remedies have been designed. The construction phase of the 2008 scope of work began in September 2008 with fourteen (14) properties scheduled for remediation. It is anticipated that the full amount of the 2008 budget will be expended by December 31, 2008. Asarco estimates that there will be properties that will not be remediated in 2008, due to access and other issues.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
GLOBE (COMMERCIAL SOILS)**

Site Name	Globe (Commercial Soils)
Location	Denver, Colorado
Performing Entity	Asarco or Colorado
Contact Person/ Phone & email	Fonda Apostolopoulos, (CDPHE) (303) 692-3411 Bob Litle (Asarco) (303) 296-5115
Decree or Order	Consent Decree: <u>Colorado v. Asarco</u> (D. CO) Civil Action NO. 83-C-2383
Settlement Agreement	
2009 Proposal	Trust: \$500,000

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco has signed a purchase and sales agreement with a "Brownfield Redevelopment" company that has agreed to purchase the Globe Plant Site. The sale will be conducted according to accepted bankruptcy process and will be subject to bankruptcy court approval. At sale closing the redeveloper will assume Asarco's responsibilities for "On-Site" remediation. The redeveloper will not assume Asarco's responsibility for the "Off-Site" remediation i.e., the Community Soils and Vegetable Gardens Operable Unit. Work remaining in this operable unit includes commercial properties that refused access in 2008 or where not completed for other reasons.

Estimated Cost of Work in 2009 and additional years

Year	Task	Cost (\$)
2009	Access/Sampling/Remediation Design for remaining Commercial properties	50,000
2009	Remediation of Commercial properties exceeding the Commercial Action Level	450,000

Work Proposed for Trust Fund Support (19c)

Asarco proposes that the sampling and remediation of Commercial Properties be funded by the trust in 2009. Funding the remaining work for the Community Soils and Vegetable Gardens Operable Unit from the environmental trust will provide the mechanism to insure that this final piece of the Globe Plant remediation can be completed.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
C. DEBACA**

Site Name	C. DeBaca
Location	Denver, Colorado
Performing Entity	Asarco
Contact Person/ Phone & email	Fonda Apostolopoulos, (CDPHE) (303) 692-3411 Bob Litle (Asarco) (303) 296-5115
Decree or Order	Settlement Class Action Lawsuit captioned <i>Lalo and Eumelia C. DeBaca, et al. v.</i> <i>ASARCO Incorporated</i> , 97 CV 6180 (Denver Dist. Court 1997).
Settlement Agreement	
2008 Budget 2009 Proposal	Trust: \$0 Trust: \$0

Work Summary

Description of Work

Asarco is required under the terms of a settlement agreement and an injunctive court order, to perform a 2" surface scrape of soils from thirty-two properties owned by members of the C. DeBaca Class and to replace the soil removed with new sod. Soil removed is to be managed by Asarco on the Globe Plant Site.

Work Completed in 2008 (19a)

No work was performed at this site requiring Trust funding in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
SILVERTON**

Site Name	Silverton
Location	Silverton, Colorado
Performing Entity	Asarco
Contact Person/ Phone & email	Bob Litle (Asarco) (302) 296-5115 blitle@asarco.com
Decree or Order	N/A
Settlement Agreement	Multi-State Custodial Trust Settlement Agreement - Paragraph 9(e)(vi)
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

Asarco owns mining claims and property in the Silverton area and has been performing stormwater inspections.

Work Completed in 2008 (19a)

No work was performed at this site requiring Trust funding in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
BLACK PINE MINE**

Site Name	Black Pine Mine
Location	Black Pine, Montana
Performing Entity	Asarco
Contact Person/ phone/email	Chris Pfahl (Asarco) (208) 753-4321 jcpfahl@asarco.com Pat Plantenberg (Montana DEQ) (406) 444-4960
Decree or Order	Montana DEQ Operating Permit 00063; Forest Service Special Use Permit
Settlement Agreement	Montana Custodial Trust Settlement Agreement – Paragraph 7(b)(ii)&(viii)
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

None

Work Completed in 2008 (19A)

None

Cost of 2008 Work (as of 10/15/08) (19A)

Trust: \$0.00

- a) Work under 2008 Scope remaining to be done: N/A
- b) Estimated cost for remaining work under 2008 scope: N/A

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
SALERO RANCH**

Site Name	Salero Ranch
Location	Rio Rico, Arizona
Performing Entity	Asarco
Contact Person/ phone/email	Mark Eddy (Asarco) (520) 798-7795 Ingrid Clark (ADEQ) 602-771-4678
Decree or Order	Notice of Violation (NOV) from Arizona Department of Environmental Quality issued August 21, 2002
2008 Budget	Trust: \$0

Work Summary

Description of Work

No work was performed at this site requiring Trust funding in 2008. The work relates to acid mine drainage from two mine openings, the Long Contact tunnel and the Bland Adit. The specific costs that are subject to reimbursement under this budget are the engineering assessment, design and construction activities related to management of the discharge.

Work Completed in 2008

The acid mine drainage capture system is repaired and operational. Grading and capping of waste rock piles completed along with re-grading of borrow areas.

Cost of 2008 Work to Asarco (as of 10/08) (19A)

Trust: \$ 0

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
SALERO RANCH**

Site Name	Salero Ranch
Location	Rio Rico, Arizona
Performing Entity	Asarco or State of Arizona
Contact Person/ phone/email	Mark Eddy (Asarco) (520) 798-7795 Ingrid Clark (ADEQ) 602-771-4678
Decree or Order	Notice of Violation (NOV) from Arizona Department of Environmental Quality issued August 21, 2002
Settlement Agreement	Multi-State Custodial Trust Settlement Agreement - Paragraph 9(e)(iv)
2009 Proposal	Trust: \$300,000

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

This work includes operation and maintenance of system, road repairs and dredging of evaporation ponds. This also includes any further reclamation work required at the site.

Estimated Cost of Work in 2009 and additional years

Year	Task	Cost (\$)
2009	Monitoring	10,000
2009	Unfinished reclamation work, Maintenance and Dredging of ponds	290,000

2008 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Asarco is proposing that reclamation and maintenance work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
TRENCH CAMP MINE**

Site Name	Trench Camp Mine
Location	Harshaw, Arizona
Performing Entity	Asarco
Contact Person/ phone/email	Mark Eddy (Asarco) (520) 798-7795 Ingrid Clark (ADEQ) 602-771-4678
Decree or Order	EPA Compliance Order No. CWA 402-9-02-67 issued 12/3/02
2008 Budget	Trust: \$0

Work Summary

Description of Work

The work relates to acid mine drainage from the January Adit and repair and maintenance at the reclaimed Trench mine. There were no specific costs subject to reimbursement or consideration under this budget for 2008.

Work Completed in 2008 (19A)

Asarco has installed acid mine drainage capture system previously using Trust funding for a portion of the work. Storm water maintenance has also been performed.

Cost of 2008 Work to Asarco (as of 10/08) (19A)

Trust: \$0

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
TRENCH CAMP MINE**

Site Name	Trench Camp Mine
Location	Harshaw, Arizona
Performing Entity	Asarco or State of Arizona
Contact Person/ phone/email	Mark Eddy (Asarco) (520) 798-7795 Ingrid Clark (ADEQ) 602-771-4678
Decree or Order	EPA Compliance Order No. CWA 402-9-02-67 issued 12/3/02
Settlement Agreement	Multi-State Custodial Trust Settlement Agreement - Paragraph 9(e)(iv)
2009 Proposal	Trust: \$500,000

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted (19c)

This work includes completion of final design and construction of the treatment system for acid mine drainage. Operation and maintenance of the system is also included.

Estimated Cost of Work in 2009 and additional years

Year	Task	Cost (\$)
2009	Monitoring	10,000
2009	Engineering and construction	490,000

Work Proposed for Trust Fund Support (19c)

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Asarco is proposing that engineering and construction of an adit discharge treatment system be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
SAN FRANCISCO FEDERATED**

Site Name	San Francisco Federated
Location	San Francisco, California
Performing Entity	Asarco
Contact Person/ phone/email	Tom Klempel (Asarco) (520) 798-7796 Mr. Ed Gillera (California Department of Toxics Substances Control) (510) 540-3826
Decree or Order	Voluntary Cleanup Agreement
Settlement Agreement	
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

This site has been capped and a deed restriction placed on the property. The site has been sold and thus Asarco has no continuing responsibility

Work Completed in 2008 (19A)

No work or expenditures were performed at this site by Asarco in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

The site has been sold and thus Asarco has no continuing responsibility or need to request Trust Fund money.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
SELBY SMELTER SITE**

Site Name	Selby Smelter Site
Location	Rodeo, California
Performing Entity	ConocoPhillips / California State Lands
Contact Person/ Phone & E-mail	Robert J. Miller (Asarco) (253-752-1470 #224) romiller@asarco.com Ms. Remedios Sunga (CA Dept of Toxic Substances Control) (510) 540-3840
Decree or Order	<u>Wickland Oil Terminals v. ASARCO Inc., et al.</u> Civil Action No C-83-5906-SC (N.D. CA)
Settlement Agreement	Docket # 6719
2008 Budget	Trust: \$ 0
2009 Proposal	Trust \$ 0

Work Summary

Description of Work

ASARCO had been obligated to provide funding for a one-third share of the cost of remediation and investigation at the Selby Smelter Site pursuant to the consent decree in Wickland Oil Terminals v. ASARCO Inc., et al. Civil Action No C-83-5906-SC (N.D. CA). Such payments were discontinued as a result of the 2005 bankruptcy filing. Remaining work at the site as of 2008 included: maintenance (O&M) of the existing asphalt cap, and preparation of a treatability investigation completed in 2008.

Work Completed in 2008 (19A)

A draft feasibility work plan has been prepared. A study that evaluated the treatability of acidic soils and the leachability of slag was conducted.

Cost of 2008 Work to Asarco (as of 10/08) (19A)

None

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
SELBY SMELTER SITE**

of claims by a number of private and public entities. This site was addressed by claims filed against Asarco, which were settled in 2008. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
TRIUMPH MINE**

Site Name	Triumph Mine
Location	Triumph, Idaho
Performing Entity	Asarco
Contact Person/ phone/email	Chris Pfahl (Asarco) (208) 753-4321 jcpfahl@asarco.com Rob Hanson (Idaho) (208) 373-0290
Decree or Order	Consent Order For Remedial Design/ Remedial Action (August 12, 1999, Idaho Department of Health and Welfare, Division of Environmental Quality)
Settlement Agreement	Settlement Agreement Regarding the Triumph Mine: not final
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

Remediation of this site is complete.

Work Completed in 2008 (19A)

Asarco preformed no work at this site in 2008 and proposes no work in the future.

Cost of 2008 Work to Asarco (19A)

No work was done at this site.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
EVERETT SMELTER**

Site Name	Everett Smelter
Location	Everett, Washington
Performing Entity	Asarco
Contact Person/ Phone & email	Kevin Rochlin (EPA) (206) 553 2106 Dr. David South, Washington Dept. of Ecology (425) 649-7200 Bob Miller (Asarco) (253) 752-1470 romiller@asarco.com
Decree or Order	Washington State Department of Ecology Order No. 02TCPNR-4059; EPA Action Memorandum June 7, 2004
Settlement Agreement	Docket # 6983 & 7015
2008 Budget 2009 Proposal	Trust: \$0 Trust: \$0

Work Summary

Description of Work

In June 2002, Ecology issued Enforcement Order No. 02TCPNR-4059, directing Asarco to remove and dispose of soils from within the fenced area that contain more than 3000 parts per million (ppm) of arsenic. Ecology approved the Final Design Report in March 2004. EPA Region 10 issued their Action Memorandum on June 7, 2004 authorizing the removal and disposal of material from Everett at Tacoma.

Asarco and Everett Housing Authority (EHA) executed the Purchase and Sale Agreement and Remediation Agreement, which closed in July 2004 and the Fenced Area in October 2004. Phase II of the work covered the removal of soil and debris greater than 3,000 mg/kg As (i.e., Source Material) to the On-site Containment Facility (OCF) at Asarco's former Tacoma smelter and additional soil with concentrations less than 3,000 ppm arsenic (i.e., Residential Material) for use as subgrade backfill and placed underneath the site-wide cap at Tacoma. EHA assumed responsibility for the work after Asarco's bankruptcy and completed the work in 2005.

Work Completed in 2008 (19A)

No work was done in 2008 that was supported by the Trust Fund.

2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL EVERETT SMELTER

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were mediated prior to estimation and tentatively settled. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
TACOMA B&L LANDFILL**

Site Name	Tacoma B&L Landfill
Location	Fife, Washington
Performing Entity	Asarco
Contact Person/ Phone & email	Dom Reale (360) 407-6266 Drea461@ecy.wa.gov Robert J. Miller (Asarco Consulting Inc.) (253) 752-1470
Decree or Order	Enforcement Orders: <u>Washington State of Ecology</u> ; No. DE 91TC-S267 and No. DE-92TC-S214
Settlement Agreement	Docket # 8012
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

In December 1991, Ecology issued an Enforcement Order (No. DE 91TC-S267) to Murray Pacific, Executive Bark, and Asarco to develop preliminary designs for the remedial actions identified in previous investigations. In June 1992, Ecology issued another Enforcement Order No. DE-92TC-S214 for construction, operation and maintenance and monitoring of the selected remedial actions. As a result of these actions, materials in the landfill were consolidated and a design cap was constructed during the 1992 and 1993 period. A long-term monitoring program has been implemented by Asarco from 1993 through 2003. On March 7, 2001, in accordance with Enforcement Order No. DE-92TC-S214, Ecology issued a letter that initiated a series of document submittals that are part of the Site review process including:

- The Draft Review of Remedial Activities at the B&L Landfill (Submitted May 1, Hydrometrics 2001)
- Draft Contingency Plan (submitted May 30, 2001) which includes a:
- Draft Wetland Soil and Ditch Sediment Sampling Plan
- Draft Site Perimeter Monitoring Well Plan.

The investigation portion of the plan was implemented in 2001 and spring 2002. The plan also presented a series of groundwater control alternatives and presented a schedule for evaluation, design and implementation of groundwater controls. Groundwater control options include pump and treat, installation of groundwater interception drains or walls, and in-situ treatment systems including air sparge systems and permeable reactive barrier system.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
TACOMA B&L LANDFILL**

Work Completed in 2008 (19A)

No work or expenditures were budgeted from the trust fund or performed at this site by Asarco in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were mediated prior to estimation and tentatively settled. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
MISC LOGYARDS**

Site Name	Miscellaneous Logyards
Location	Washington
Performing Entity	Asarco
Contact Person/ Phone & email	Bob Miller (Asarco) (253) 752-1470 romiller@asarco.com Dom Reale (360) 407-6266
Decree or Order	Washington Department of Ecology Consent Decree No. 93 2 10099 5
Settlement Agreement	Miscellaneous Federal and State Environmental Sites - Paragraph 7(h)(ii)
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Work

Periodic monitoring is required by consent decrees signed with the Washington State Department of Ecology at the Murray Pacific #1 site and the McFarland Cascade site.

Work Completed in 2008 (19A)

No work or expenditures were budgeted from the trust fund or performed at this site by Asarco in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were mediated prior to estimation and tentatively settled. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
AZURITE MINE SITE**

Site Name	Azurite Mine Site
Location	Wenatchee-Okanogan National Forest
Performing Entity	USDA Forest Service
Contact Person/ Phone & email	Rooney Lentz USFS Chris Pfahl (Asarco) (208) 753-4321 jcpfahl@asarco.com
Decree or Order	AOC for EE/CA
Settlement Agreement	Miscellaneous Federal and State Environmental Sites – Paragraph 7(h)(vi)
2008 Budget	Trust: \$53,000
2009 Proposal	Trust: \$0

Work Summary

Description of Work Subject to Reimbursement:

Completion of a of removal design for this site including a cultural resource analysis.

Work Completed in 2008 (19A)

The final EE/CA and associated risk assessment were completed by ASARCO and submitted to the USFS.

Activities completed by USFS are unknown

Cost of 2008 Work (as of 10/10/08):

Trust: \$41,489.52

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were mediated prior to estimation and tentatively settled. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
ENCYCLE (OFF-SITE)**

Site Name	Encycle (Off-Site)
Location	Corpus Christi, Texas
Performing Entity	Asarco
Contact Person/ Phone & email	Ray Risner (TCEQ) (512) 239-2333 Rrisner@TCEQ.state.tx.us Tom Klempel (Asarco) (520) 798-7796 tklempel@asarco.com Amy Salinas (EPA) salinas.amy@epa.gov
Decree or Order	Enforce No. 17878 Docket 2002-0890-IHW-E
Settlement Agreement	Docket # 7342
2008 Budget 2009 Proposal	Trust: \$0 Trust: \$0

Work Summary

Description of Work

ASARCO last received Trust funding in 2005. Residential soil remediation was conducted by ASARCO's contractor late in 2005. TCEQ approved ASARCO's investigation and cleanup of these residential properties by letter in May 2006. No further work was required.

Work Completed in 2008 (19A)

No work or expenditures were budgeted from the trust fund or performed at this site by Asarco in 2008.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were mediated prior to estimation and settled. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
FLUX MINE SITE**

Site Name	Flux Mine Site
Location	Coronado National Forest, AZ
Performing Entity	United States/USDA Forest Service
Contact Person/ Phone & email	Maria McGaha, USDA-FS (505) 842-3837 Brian Munson (Asarco) 520-356-2229 bmunson@asarco.com
Decree or Order	None
Settlement Agreement	Miscellaneous Federal and State Environmental Sites - Paragraph 7(h)(iii)
2008 Budget	Trust: \$0
2009 Proposal	Trust: \$0

Work Summary

Description of Prior Work/Activity:

The Flux Mine began operation in the 1950's. It is estimated that the mine produced approximately 50,000 tons of lead-silver ore through 1940. Asarco acquired the unpatented claims for the mine in 1940, and operated the mine through 1957 to produce approximately 400,000 tons of lead-zinc and silver-bearing ores. The property was then leased to Nash-McFarland who continued to operate until 1963, producing approximately 16,000 tons of zinc concentrate.

The Flux Mine was permanently closed by Asarco in 1981 and reclaimed in 1993. Reclamation occurred with approval and supervision of the US Forest Service. Approximately 23,500 cubic yards of waste rock was removed from the site and remaining dumps and cuts were re-contoured and capped. The reclaimed surfaces were reseeded with a seed mixture specified by the US Forest Service. In 1994 Asarco relinquished the remaining unpatented mining claims for the site.

Description of Work Subject to Reimbursement 2008:

There were no specific costs subject to reimbursement or consideration under this budget for 2008

Work Completed in 2008 (19A)

The EE/CA has been completed as of March 2008 and a preferred removal alternative has been identified. As of October 20, 2008 no claim has been made by the Forest Service to the

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
FLUX MINE SITE**

Trustee.

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2008 and additional years if warranted

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.

**2009 DOJ & EPA ENVIRONMENTAL TRUST REPORT & BUDGET PROPOSAL
BLUE LEDGE MINE SITE**

Site Name	Blue Ledge Mine Site
Location	Rogue River – Siskiyou National Forest, CA
Performing Entity	USDA Forest Service
Contact Person/ Phone & email	Peter Jones USDA-FS (541) 858-2362 Chris Pfahl (Asarco) (208) 753-4321 jcpfahl@asarco.com
Decree or Order	
Settlement Agreement	
2008 Budget	Trust: \$270,000
2009 Proposal	Trust: \$0

Work Summary

Description of Work Subject to Reimbursement:

Costs subject to reimbursement include costs for the following response actions: Data gathering, analysis and other response costs associated with the performance of an engineering evaluation/cost analysis (“EE/CA”) at the Site.

Work Completed in 2008 (19A)

Activities completed by USFS are unknown

Cost of 2008 Work (as of 10/10/08):

Trust: \$3184.74

2009 Work Proposal and Budget Summary

Scope of work required to be performed in 2009 and additional years if warranted:

Asarco filed a chapter 11 bankruptcy petition on August 9, 2005, which resulted in the filing of claims by a number of private and public entities. This site is addressed by claims filed against Asarco and is therefore subject to the claims allowance process and could be subject to estimation, which is an expedited claims liquidation procedure. Claims related to this site were mediated prior to estimation and tentatively settled. Asarco is not proposing that any work at this site be funded in 2009 by the Trust.